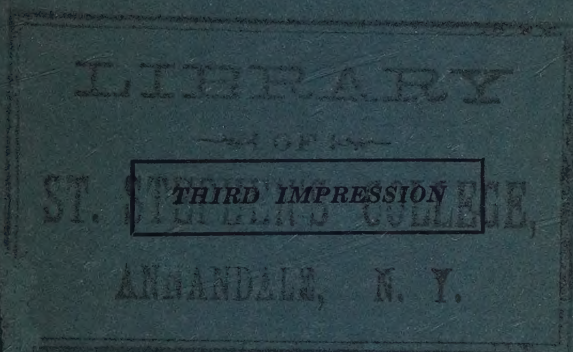


INDUSTRY AND PROPERTY

C.O.P.E.C. COMMISSION REPORT

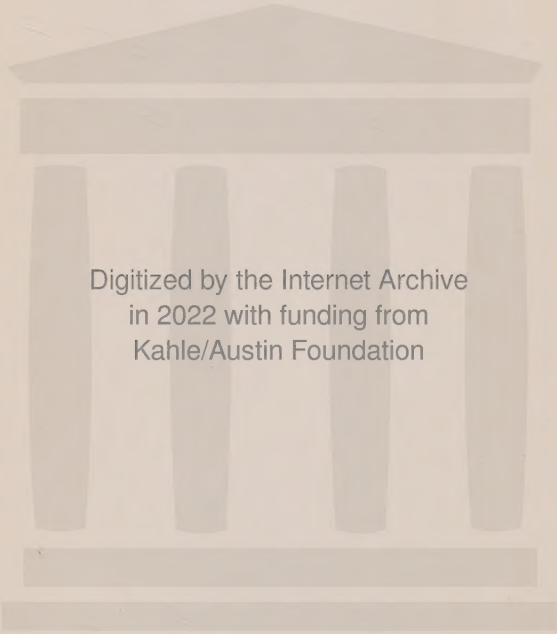
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58

INDUSTRY AND PROPERTY

**C.O.P.E.C. COMMISSION
REPORTS**

**VOLUME I. THE NATURE OF GOD AND HIS
PURPOSE FOR THE WORLD**

- „ II. EDUCATION
- „ III. THE HOME
- „ IV. THE RELATION OF THE SEXES
- „ V. LEISURE
- „ VI. THE TREATMENT OF CRIME
- „ VII. INTERNATIONAL RELATIONS
- „ VIII. CHRISTIANITY AND WAR
- „ IX. INDUSTRY AND PROPERTY
- „ X. POLITICS AND CITIZENSHIP
- „ XI. THE SOCIAL FUNCTION OF
THE CHURCH
- „ XII. HISTORICAL ILLUSTRATIONS
OF THE SOCIAL EFFECTS
OF CHRISTIANITY

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INDUSTRY AND PROPERTY

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Christian Politics, Economics and Citizenship
at Birmingham, April 5-12, 1924*

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BASIS

THE basis of this Conference is the conviction that the Christian faith, rightly interpreted and consistently followed, gives the vision and the power essential for solving the problems of to-day, that the social ethics of Christianity have been greatly neglected by Christians with disastrous consequences to the individual and to society, and that it is of the first importance that these should be given a clearer and more persistent emphasis. In the teaching and work of Jesus Christ there are certain fundamental principles—such as the universal Fatherhood of God with its corollary that mankind is God's family, and the law "that whoso loseth his life, findeth it"—which, if accepted, not only condemn much in the present organisation of society but show the way of regeneration. Christianity has proved itself to possess also a motive power for the transformation of the individual, without which no change of policy or method can succeed. In the light of its principles the constitution of society, the conduct of industry, the upbringing of children, national and international politics, the personal relations of men and women, in fact all human relationships, must be tested. It is hoped that through this Conference the Church may win a fuller understanding of its Gospel, and hearing a clear call to practical action may find courage to obey.

GENERAL PREFACE

THE present volume forms one of the series of Reports drawn up for submission to the Conference on Christian Politics, Economics and Citizenship, held in Birmingham in April 1924.

In recent years Christians of all denominations have recognised with increasing conviction that the commission to "go and teach all nations" involved a double task. Alongside of the work of individual conversion and simultaneously with it an effort must be made to Christianise the corporate life of mankind in all its activities. Recent developments since the industrial revolution, the vast increase of population, the growth of cities, the creation of mass production, the specialisation of effort, and the consequent interdependence of individuals upon each other, have given new significance to the truth that we are members one of another. The existence of a system and of methods unsatisfying, if not antagonistic to Christian life, constitutes a challenge to the Church. The work of a number of pioneers during the past century has prepared the way for the attempt to examine and test our social life in the light of the principles revealed in Jesus Christ, and to visualise the requirements of a Christian civilisation. Hitherto such attempts have generally been confined to one or two aspects of citizenship; and, great as has been

GENERAL PREFACE

their value, they have plainly shown the defects of sectional study. We cannot Christianise life in compartments: to reform industry involves the reform of education, of the home life, of politics and of international affairs. What is needed is not a number of isolated and often inconsistent plans appropriate only to a single department of human activity, but an ideal of corporate life constructed on consistent principles and capable of being applied to and fulfilled in every sphere.

The present series of Reports is a first step in this direction. Each has been drawn up by a Commission representative of the various denominations of British Christians, and containing not only thinkers and students, but men and women of large and differing practical experience. Our endeavour has been both to secure the characteristic contributions of each Christian communion so as to gain a vision of the Kingdom of God worthy of our common faith, and also to study the application of the gospel to actual existing conditions—to keep our principles broad and clear and to avoid the danger of Utopianism. We should be the last to claim any large or general measure of success. The task is full of difficulty: often the difficulties have seemed insurmountable.

But as it has proceeded we have discovered an unexpected agreement, and a sense of fellowship so strong as to make fundamental divergences, where they appeared, matters not for dispute but for frank and sympathetic discussion. Our Reports will not be in any sense a final solution of the problems with which they are concerned. They represent, we

GENERAL PREFACE

believe, an honest effort to see our corporate life steadily and whole from the standpoint of Christianity; and as such may help to bring to many a clearer and more consistent understanding of that Kingdom for which the Church longs and labours and prays.

However inadequate our Reports may appear—and in view of the magnitude of the issues under discussion and the infinite grandeur of the Christian gospel inadequacy is inevitable—we cannot be too thankful for the experience of united inquiry and study and fellowship of which they are the fruit.

It should be understood that these Reports are printed as the Reports of the Commissions only. The resolutions adopted by the Conference on the basis of these Reports will be found in *The Proceedings of C.O.P.E.C.*, which also contains some cross-references to the series of Reports.

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Note.—The Commission is greatly indebted to the War and Social Order Committee of the Society of Friends, and Mr. B. S. Rowntree for material supplied, and also to those Copec Study Circles, whose replies to the questionnaire on Industry and Property have afforded information and help.

CONTENTS

	PAGE
BASIS	iv
GENERAL PREFACE	v
LIST OF COMMISSION MEMBERS	ix

CHAPTER I

INTRODUCTION	I
------------------------	---

CHAPTER II

PRESENT CONDITIONS: INDUSTRY	23
--	----

CHAPTER III

PRESENT CONDITIONS: FINANCE	51
---------------------------------------	----

CHAPTER IV

PRESENT CONDITIONS: COMMERCE	67
--	----

CHAPTER V

HUMAN CHARACTER AND THE SYSTEM	77
--	----

CHAPTER VI

THE CONSUMER'S RESPONSIBILITY	105
---	-----

CONTENTS

CHAPTER VII

	PAGE
MOTIVES IN INDUSTRY	117

CHAPTER VIII

THE CHRISTIAN CONCEPTION OF PROPERTY	131
--	-----

CHAPTER IX

EFFORTS TOWARDS REFORM	163
----------------------------------	-----

CHAPTER X

PERSONALITY AND THE CHRISTIAN ORDER	179
---	-----

CHAPTER XI

CONCLUSION	189
----------------------	-----

APPENDIX

THE POPULATION PROBLEM	201
----------------------------------	-----

CHAPTER I
INTRODUCTION

CHAPTER I

INTRODUCTION

WE approach this consideration of Industry and Property with the definite spiritual conviction that the sovereignty of God is supreme over all human life. That means that all the activities by which men seek to obtain and enjoy the material goods which minister to their well-being are subject to His moral demands. It may be possible consistently and intelligently to deny God and His claims altogether; it is neither consistent nor intelligent to seek His way of life in some things and ignore or even repudiate it in others. For while "the Kingdom of God is not eating and drinking," it is "righteousness, peace and joy in the Holy Spirit," and these conditions are either fulfilled or frustrated by what men do with regard to property and industry, as in other matters. Their personal relations with each other are deeply involved. It is true that the value of material goods as such can be grievously over-estimated, but it is difficult to exaggerate the importance of the spirit in which they are handled or the results upon human personality.

It is this note which distinguishes an investigation by Christian bodies such as the present¹ from the

¹ *E. g.* the Report of the Archbishops' Fifth Committee of Inquiry: "Christianity and Industrial Problems." Also the American Interdenominational Committee on the War and the Religious Outlook: "The Church and Social Reconstruction."

INDUSTRY AND PROPERTY

many purely economic, industrial and social discussions that have been held. We have regard first of all to motives, human relations and effects upon character, which are either in accordance or in conflict with the will of God as we find it expressed in Jesus. But this neither excuses nor disqualifies us from the task of examining the economic working of existing industry, commerce and finance, nor from shaping all suggestions for a better moral order with due regard to what are known as economic laws. To ignore the material conditions on which economic organisation must be based, with however good intentions, leads inevitably to disaster. It is true that if there is conflict in our understanding of these, the moral law has the right to our obedience ; none the less, if we are compelled to challenge any accepted statement of economics, we are equally bound at least to search for some truer statement to take its place.

This is why, in the following pages, we have to deal with hard facts and some difficult and intricate problems. Difficulties may not be shirked because they are difficult, nor can our Christian faith dwell always on the Mount of Transfiguration. It must come down for loyal action in the world of things as they are if it is to have a share in making the world as it ought to be.

That this Kingdom of God is a spiritual kingdom, ruling the inner life of men—their thoughts and desires, their trust and their will—rather than a mere alteration of circumstance, so far from being an objection, as not infrequently urged, is the very heart and core of the position here taken. All

INTRODUCTION

changes in the order of society, so far as they have been successful, have been so because they embody spiritual and moral ideals, and it is therefore that not only preachers, but others, such as industrial leaders and statesmen, are calling for a change of spirit.

But such a change, if real, must bring definite consequences. It does not stop our daily activities and our associations with our fellow-men, but it does make them different. Though a change of method may not necessarily produce a change of spirit, it is inconceivable that a change from a self-seeking spirit to one that seeks God's purpose will not alter our methods. The truly spiritual life will make for itself an organ by which to mould conditions according to that purpose.

What then are the guiding spiritual principles by which we must test the things that are and work constructively for the things that ought to be? Here, again, as Christians speaking to our fellow-Christians, we base ourselves unreservedly on the teaching of Jesus Christ, and must give some space here to a study of that teaching.

I. THE ETHICAL NATURE OF THE TEACHING

One or two general questions seem to need an answer at the outset, before proceeding to examine particular passages.

1. It has been asserted that Jesus Himself confidently expected a speedy end to existing earth conditions, and that therefore His teaching was suitable for men who would soon have no use for

INDUSTRY AND PROPERTY

the things of earth, but quite impracticable for us who have to handle them continuously. That there was what is called an "apocalyptic" element in His teaching must be admitted, though the interpretation that is put upon these passages is highly disputable. We are, however, freed from the necessity of entering upon this discussion by the fact that He gives the teaching generally as normal and abiding; indeed as springing from the nature of God Himself. The Kingdom of God, whether it come soon or late, is in its essence spiritual, "the Kingdom of God is within you"; the conditions of entrance are moral and therefore regulative for all time, not merely temporary conditions for the enjoyment of blessedness in a future Messianic age. Also, the Kingdom is to come "on earth,"¹ and the result of making the Reign of God our first endeavour is declared to include a sufficiency of our ordinary earthly food and the other things which "your Father knows you need."

More cogent still is the fact that the conduct specifically described as suitable for those who look for a coming that may happen at any time is that of the steward set to provide for the needs of a household,² and of the man of business being faithful to his job in the steady continuous way.³ These passages are actually in the apocalyptic sections. The inference seems irresistible that in the view of Jesus Himself His teaching was quite independent of time, place and external conditions;

¹ Matt. vi. 10.

² Matt. xxiv. 45; Luke xii. 42.

³ Matt. xxv. 14 f.; Luke xix. 12.

INTRODUCTION

over these last it would have great power of change but could not be changed by them.

2. It is frequently said that Jesus' teaching was addressed to individuals, not to society as such. The positive truth in this seems to be that He laid stress on the springs of action rather than upon the external conduct. But as the inner life of men is the source not only of what they do separately, but of what they do socially, the distinction seems to be without meaning. Moral and spiritual principles are not annulled simply because persons have in many ways to act collectively.

Jesus conceived of the salvation of the individual as his entrance into service of the Kingdom of God.¹

(a) This conception of the Kingdom of God was already implicit in the "law and the prophets."² Jesus said, "Think not that I came to destroy the law or the prophets: I came not to destroy, but to fulfil."³ Both the law and the prophets were intensely social in their teaching and demands.

(b) The "gospel of the Reign of God" implies a society. The prayer that God's will be "done on earth as in heaven" is not compatible with the notion that the practical business of life is exempt, or that whole regions of human activity can be ignored.

¹ Matt. v. 20; vii. 21; xviii. 3; xix. 23, 24; xxv. 21 and 34; Mark ix. 47; xii. 34; Luke vii. 28; ix. 62, etc.

² Cf. Exod. xv. 18; xix. 6; Ps. xciii. 1; ciii. 19; cxlv. 11-13; Isa. xxiv. 23; xxxiii. 22; xli. 21; xliii. 15; lii. 7; Dan. vi. 26; Hos. xiii. 10; Obad. 21; Mic. iv. 7; Zech. xiv. 9.

³ Matt. v. 17.

INDUSTRY AND PROPERTY

(c) Jesus bids us "Render unto Cæsar the things that are Cæsar's." Cæsar was the representative of social and political authority. Now that men and women generally are responsible, being collectively "Cæsar," the demands are upon our judgment and conscience as well as upon our purse, and are yet more closely interwoven with the "things that are God's." In Matt. v. 41 also we are bidden to make our response to State demands whole-hearted instead of perfunctory.

(d) In Matt. xxv. 32 it is the "nations" that are put to the test of their attitude to the social problem to-day, succinctly stated in terms of human life. While allowing that it must refer to individuals as well as societies, there seems no reason to exclude the latter, especially as the things required can only be done effectively by social action.

3. What has already been said meets very largely the assertion that all the seeming references to material things are only images of the "spiritual," based on such passages as "My kingdom is not of this world, else would My servants fight." This saying does not contradict the coming of the Kingdom upon *earth*; it simply asserts that Jesus did not derive His authority from the existing *world-order* nor support it by the world's methods. According to His teaching the spirit is all-important, as is the soundness of the life of the tree, but its soundness must necessarily be shown in practical activity. "The tree is known by its fruits." "Why call ye me Lord, Lord, and do not the things that I say?" The man or nation that hears but does not carry the teaching into action

INTRODUCTION

is "building on the sand," and action is necessarily concerned with material things. The spiritual life is not shown by disconnection with external conditions, but by its dominance over them.¹

II. GENERAL PRINCIPLES

The paucity of teachings which have explicit reference to Industry must not be allowed to obscure the principles which, applying generally, include Industry in their scope. These may be stated briefly.

1. The right character and conduct of man is a reflection of the character and conduct of God. "That ye may be sons of your Father who is in heaven"; "Be ye perfect as your heavenly Father is perfect"; "Be ye merciful as your Father is merciful"; "Blessed are the peacemakers, for they shall be called the sons of God"; "Seek first His reign and His righteousness."²

2. While the moral law of God is universally operative, His fatherly love includes all men. "He maketh His sun to rise on the evil and the good, and sendeth rain on the just and on the unjust."³

It is aimed at the restoration of evildoers rather than giving them their strict deserts. "Joy shall be in heaven over one sinner that repents."⁴ "God sent not His Son to judge the world, but that the world should be saved through Him."⁵ He has especial care for little children. "It is not the

¹ Matt. vii. 15-27.

² Matt. v. 45; v. 48; Luke vi. 36; Matt. v. 9; vi. 33.

³ Matt. v. 45.

⁴ Luke xv. 7.

⁵ John iii. 17.

INDUSTRY AND PROPERTY

will of your Father that one of these little ones should perish.”¹

3. The right relation of man to man is therefore that of brotherhood. “All ye are brethren.”² The essence of the law and the prophets is in the “Golden Rule,” to deal with the needs of others as if they were our own. This relation is illustrated in the parables of the Good Samaritan and the Prodigal Son. Where it is broken, its restoration is of prime importance. “Forgive until seventy times seven.”³ This is the condition of our own forgiveness with God.⁴

4. The central purpose to which all endeavour and aspiration should be directed is the reign of God, the doing of His will, in human society.⁵ This is declared to be life in all its fullness. “I am come that they may have life to the full.”⁶ It is the very best for man. “What shall it profit a man if he gain the whole world and lose his life?”⁷

These central principles give the key to what is said with explicit reference to Industry and Property; which with all other matters, such as Family Relations, Education, Politics, Recreation, Æsthetic and Scientific Pursuits, etc., are of value or the reverse as they serve or damage the life of persons.

III. DIRECT REFERENCES TO INDUSTRY AND PROPERTY

1. “Life ranks above food; the body above

¹ Matt. xviii. 14.

² Matt. xxiii. 8.

³ Matt. xviii. 22.

⁴ Matt. vi. 15; Mark xi. 25, 26; Luke xi. 4.

⁵ Matt. vi. 33 and 10.

⁶ John x. 10.

⁷ Mark viii. 36, 37.

INTRODUCTION

meat,"¹ *i. e.* the value of material goods is that *or* a means to an end; they are not an end in themselves. Hence to seek them apart from their value to human life is to miss the mark. This interprets such passages as "Lay not up for yourselves treasures on earth . . . but treasures in heaven" —*i. e.* in the spiritual life.² "Labour not for the meat that perishes, but for the meat that abides unto eternal life."³ "Man shall not live by bread alone, but by every word that proceeds out of the mouth of God."⁴ In all these the negative first part must not be separated from the positive end to which it is an introduction. Jesus fully recognised the real value of material goods. "Your heavenly Father knoweth that you have need of all these things."⁵

2. When material possessions are divorced from the service of life they have a mischievous effect. "How hardly shall they that have riches enter into the Kingdom of God. It is easier for a camel to go through the eye of a needle than for a rich man to enter into the Kingdom of God."⁶ Compare the parables of the Rich Fool and Dives and Lazarus.

"Rich" always appears to have a relative sense of superabundance, in comparison with (*a*) one's real needs, *e. g.* "A man's life consisteth not in the abundance of the things which he possesseth,"

¹ Matt. vi. 25; Luke xii. 23.

² Matt. vi. 19.

³ John vi. 27.

⁴ Matt. iv. 4; Luke iv. 4.

⁵ Matt. vi. 31; Luke xii. 30.

⁶ Matt. xix. 27; Mark x. 23; Luke xviii. 24.

⁷ Luke xii. 15.

INDUSTRY AND PROPERTY

and (b) other people's lack, as in the case of Dives.¹ Compare also the repeated injunction to give to the poor.

In detail, the evil results attributed to "riches" are :

(a) *Covetousness*.—This is incompatible with wealth of character and fellowship with God. "So is he that lays up treasure for himself and is not rich towards God."² Also, "the cares of this world, and the deceitfulness of riches, and the lusts of other things entering in, choke the word."³

(b) *A false confidence*.—Riches may decay or be stolen, banks may break, or businesses may fail. "Lay up for yourselves treasures in heaven, where neither moth nor rust doth corrupt, and where thieves do not break through nor steal."⁴ Trust in the money power excludes trust in God and His way of life. "How hard is it for them that trust in riches to enter into the kingdom of God."⁵

(c) *Anxiety about means*.—This destroys the joy of life and diverts our purpose from the true ends. "Be not anxious for your life, what ye shall eat, or what ye shall drink, or what ye shall put on. Is not the life more than the meat, and the body than raiment?"⁶

(d) *Defection from God's service*.—Preoccupation with the task of getting or keeping wealth becomes absorbing, to the exclusion of working for God's ends. "Ye cannot serve God and Mammon."⁷

(e) *Blindness to others' needs*.—This Jesus puts as

Luke xvi. 19 and 25.

² Luke xii. 21.

Mark iv. 19.

⁴ Matt. vi. 20.

⁵ Mark x. 24.

Matt. vi. 25.

⁷ Matt. vi. 24 ; Luke xvi. 13.

INTRODUCTION

equivalent to ignoring the needs of "the Son of Man." "When saw we Thee an hungered, or athirst, or a stranger, or naked, or sick, or in prison, and did not minister unto Thee?"¹

(f) *A thoroughly unsocial character.*—The sum total is seen in the necessary exclusion from the fellowship of those who can be completely ruled by God. While those who are of the nature to minister to the need of others are selected for "the kingdom prepared for you from the foundation of the world," those who have ignored the need are rejected as unfit. This seems to be no arbitrary or external punishment, but the necessary outcome of character.²

3. On the other hand, material goods, which when sought and heaped up "for oneself"³ are so dangerous, become serviceable when applied to the needs of others. The recommendation to use them for remedying the lack of the poor is a constant theme. The parable of the Good Samaritan⁴ shows that what is intended is real helpfulness and not merely the "acquisition of merit." The parable of the Steward shows that if a worldly-minded man can make his place in society secure by looking after others, this is still more possible for those whose conception of society is spiritual. "Make for yourselves friends by means of the Mammon of unrighteousness."⁵ Once again, the capital teaching on this point is the "Judgment Scene."⁶ Sensitiveness to suffering and lack in

¹ Matt. xxv. 44.

³ Matt. vi. 19; Luke xii. 21.

⁵ Luke xvi. 9.

² Matt. xxv. 31-46.

⁴ Luke x. 30 f.

⁶ Matt. xxv. 31 f.

INDUSTRY AND PROPERTY

other lives and readiness to care for their feeding, clothing, need of a home, health and freedom is an indispensable characteristic for the social life that can endure because it is ordered by the sovereignty of God Himself. It is the spirit of Love and the fulfilment of the Golden Rule.

4. Jesus has no criticism upon industry itself, as the process by which material goods are produced. The main embodiments of industry, such as agriculture, manufacture, domestic work, trade and business management, are all assumed as belonging to human activities, though it would be unsafe to take every allusion for illustrating a general truth as equivalent to approval of that particular thing.

But He has a severe criticism on the actual results of human industry. He points out that God has made men superior in powers to the birds, in that they can plough, sow, reap and store the resulting harvest, yet they are anxious, as the birds are not. Yet the birds are fed, spite of their weaker powers, in the providence of God. Similarly, His criticism upon human dress is not that people seek beauty too much, but that they do not attain it in the same measure as the flowers; again in spite of their superior powers. He declares that the reason of this is that men get entangled in the means of life—food, raiment, etc.—instead of making life itself the end. As life is the purpose of God for men, He makes this practically equivalent to dethroning God in everyday life.

Constructively He declares that if in everything men sought to bring their activities under God's

INTRODUCTION

control and to follow His ways—to seek primarily God's reign and His righteousness—both anxiety and lack would disappear. "All these things shall be added unto you." This seems to be an unmistakable assertion that where the spiritual factor is duly recognised, satisfactory economic results must follow. While God might fill the larders and the wardrobes by supernatural means, experience shows that this is not, in fact, His way of working. It is true that there are remarkable instances of special needs being met in answer to prayer, but always the goods used have been produced in the ordinary way. And as the teaching is offered to all men as the way of life, and not to a special class to be supported by the labour of others, Jesus must have considered it as practicable for all. Whatever difficulties may be felt about the application of this to individual cases, its social application seems sure. The passage given in Matt. xix. 27 f., Mark x. 28 f., and Luke xviii. 28 f., also distinctly asserts that renunciation of self-seeking for the better way of life will result in much greater abundance "in this present time." This may refer to value rather than to quantity, but in any case the real end is met and material goods are named as well as social relations.

5. There are some teachings which have an industrial setting, but the application is of a wider scope. How far can these be taken as approving the transactions mentioned? It seems necessary to distinguish between those illustrations which are as it were the accidental clothing of a principle, and those which are instances of the direct working

INDUSTRY AND PROPERTY

of the principle itself. Sometimes, as in the case of the discharged steward, Jesus purposely selects the ordinary self-seeking conduct of a worldly man to show a good principle working in spite of the self-seeking element. But in other cases the argument would fail unless the particular instance were sound. When the disciples were bidden to accept board and lodging on their missionary tour, because "the labourer is worthy of his wages,"¹ the validity of this principle in industry is the necessary basis of its extension to spiritual service.

The parable of the Labourers needs analysis from this point of view. The immediate application to the existing wage-system is disputed and need not be pressed, but the deeper principles illustrated do apply to what is involved in the problems of human labour and human life. Under the reign of God, Jesus says, what men deserve is not the only thing that decides what they get. God's idea of the "right" thing to be done for them is bigger than what they can claim as their "right"; it is shaped by their needs as well. The "good" will acts from a larger purpose than strictly *retributive* justice; it seeks the good life in others.

The social application of this seems fairly clear. The claim of the employer to "do what I will with my own" does not touch what is the wage-earner's by right; it would be unjust to give anybody less than he earns. The claim is the right to give not less, but more, out of surplus resources. We cannot press the detail of the parable to require individual employers to supplement earnings, but

¹ Matt. x. 10; Luke x. 7.

INTRODUCTION

this may well be "what is right" for the general community to give to those that need. And any society which has caught God's idea of excellence will measure what it spends on its members by what their life needs rather than by their particular deserts. This principle is already applied in some degree, not only in philanthropic and charitable expenditure, but in public spending, to raise the standard of life among people generally, in education, public health, etc. Whether the "equality" is monetary or not is a matter of practical working out; if the needs of each life be met, there is an equality which seems more to the purpose than if it were measured by pounds sterling.

IV. GENERAL CONCLUSIONS

From this examination we gather some general fundamental principles which the teaching of Jesus implies.

1. God is our Father, and therefore the true relation of men and women is that of brothers and sisters. The earth ought to be the home of God's family rather than the battle-field of conflicting aims and interests. Co-operative helpfulness and mutual consideration, not self-seeking competition, give the keynote of human well-being.

2. Jesus seriously meant this as a practicable result to be achieved upon earth. It is the Reign of God, the doing of His will, which Jesus bade us put in the forefront of our daily prayer and make the prime object of all our activity. Action on any other principle is bound by its nature to fail,

INDUSTRY AND PROPERTY

and indeed has consistently failed throughout the history of the world.

3. All social institutions and industrial organisations must be tested by spiritual standards. The "weightier matters of the law—justice, mercy and faithfulness" apply to what men do together as well as to what they do severally, and to the common activities of daily life as well as what they are disposed to call "sacred."

4. The sanctity of human life and personality demands recognition, not merely by abstention from the more obvious injuries, but by the positive provision for its physical, moral, æsthetic and spiritual development.

5. This social conduct being in harmony with the nature of God is therefore in harmony with the true nature of things, and will, if wisely directed and consistently pursued, produce all that is needful for life in its fullness. "Seek the Kingdom of God and His righteousness, and all these things shall be added unto you."

V. APPLICATION TO MODERN LIFE

The specific criticism which Jesus passed upon the life of His day was that men failed because they lost sight of the real purpose, which was life itself, through entanglement in the means which ought to fulfil this purpose. "The life is more than the meat, and the body than raiment."

That criticism has remained true through the succeeding centuries and is true of us in the present age, which has seen an unparalleled expansion of

INTRODUCTION

human power over the physical world. To appreciate its force it is not at all necessary to minimise the beneficent results which modern industry, through business organisation and scientific research, has produced. These may be provisionally summarised as follows without prejudging questions which are discussed more fully.

1. It supports, in varying degrees of well-being, immense numbers of people.

2. It has banished, in normal times and in Western civilisation, the fear of local and temporary famines.

3. It has supplied innumerable appliances for comfort and enjoyment; for rapid transport and transit; for interchange of communication; for sanitation, the treatment of disease, the alleviation of pain, and other means of physical well-being.

4. It has provided the material means for indefinite advance in scientific achievement and at least the apparatus for culture in the arts and literature.

We can also gladly agree that the last half-century or more has seen a very real improvement in social conditions, in some important respects. It would, however, be a mistake to regard this either as necessarily continuous or as springing from mere increased "efficiency." We are not concerned to make exact comparisons with other times, concerning which there may be great divergences of opinion on the part of those best qualified to pronounce, but it may safely be said that when comparisons between the present day and the nineteenth century are made, our modern improvement is upon an age in which the principles stated above

INDUSTRY AND PROPERTY

were more decisively denied than in any other and the conditions of men, women and children in industry more deplorable. It is also perfectly fair to claim that whatever progress has been made is the result of the reawakening of the public conscience to these principles of the sanctity of human life and the supremacy of moral and spiritual claims.

Indeed the great hope for the present time, amid so much that looks like world wreckage and almost hopeless failure, is that the common judgments of men upon those failures are so largely based upon the principles which Jesus asserted. The great task before us is to pass from standards of criticism to constructive activity. We need, in our social arrangements, to embody the spirit which is at present unable to find adequate expression.

So we have to examine, not the question whether we are better or worse than past ages, but the difference between what is within the reach of men when obedient to God's demands and the actual conditions which have been brought about by disobedience and negligence.

The facts concerning the lives of obscure multitudes have been brought to light by the patient and unprejudiced research of fully qualified investigators. Closer contact between people of different social conditions has flung bridges across the gulf of ignorance which still separates the dwellers in comfort from those who live in penury and squalor. Authoritative Commissions have put much sifted information at the disposal of those who are willing to know. Not least important is the general literature since the time of Dickens. It is not

INTRODUCTION

possible to-day to brush all this aside on the plea that it is possibly untrue.

In five main respects at least we are compelled to recognise a great falling short of what might reasonably be looked for in our social life.

1. An appalling amount of damage to physical life through lack of necessities, vitiated conditions, occupations dangerous to life, limb or health, and other causes.

2. A lamentable absence of freedom to develop one's own interests, power and personality and choose the conditions in which they shall be expressed.

3. The banishing of beauty, conspicuously from our towns, but also from large tracts of the countryside and from the common things of use.

4. The prevalence of hostility, mistrust and strife, poisoning human relations. It is true that no order of industry would of itself eliminate jealousies, envies, bickerings and conflict, but it cannot be denied that existing conditions tend to foster and inflame these.

5. Economic strife between nations, issuing from time to time in war, by which the good results of civilisations are in some cases destroyed and the bad features enormously accentuated.

Here, then, is the field for our survey, with a view to bringing into it the order, peace and beauty of the reign of God.

CHAPTER II
PRESENT CONDITIONS: INDUSTRY

CHAPTER II

PRESENT CONDITIONS : INDUSTRY

I. THE DISTRIBUTION OF WEALTH

Gross inequality in this distribution strikes the imagination, when brought to bear upon it as it presents itself in the modern industrialised world, as shocking. It is not only repugnant to the principles of the Christian, but revolting to the taste of an educated person, that one class in a country, a small class of which the individuals are not necessarily distinguished above their fellow-citizens for virtue or ability, should command more money than they can possibly spend in any rational or profitable fashion, while by far the largest class in the same country has no security for a good life on the simplest lines, no security even for the basic human needs of shelter, food and clothing, and a substantial portion of this second class is living permanently below the line at which a sufficient minimum of those needs can be satisfied at the cost of any exertion it may put forth. We are so accustomed to this state of things that we accept it as a matter of course; and the circumstances which have grouped us and settled us, by gradual segregation, into Cities of the Rich and Cities of the Poor—as is the case in every large centre of population to-day—spare us the wholesome lesson we might learn from contemplating the two nations

INDUSTRY AND PROPERTY

side by side. The one literally does not know how the other lives. As the Board of Directors may perhaps sit in a place hundreds of miles distant from the factories it controls, so the industrial magnate, moved by family considerations, social ambition, or general custom, gradually withdraws farther and farther from the scene of his industrial operations. The majority of the leisured, whether "rich" or no, and of the professional and middle classes, are without information as to conditions of working-class life, other than that they obtain in an occasional lurid Press article dealing with some scandal of the slums, which they (often rightly) discount as exaggerated and based on imperfect evidence. The daily risks and frequent disasters of factory employment, even in trades not labelled "dangerous" by authority, the insidious menace to health in harmless-seeming processes, the extremes of temperature in which operations employing hundreds of thousands of men, women, boys and girls are regularly carried on, do not come within their range of observation; as little do they realise the cramped, inadequate, insanitary houses, the wilderness of sordid and unlovely streets in which are set the lives, not of slum-dwellers, but of millions of "respectable" manual workers and their families, surroundings in which the old and sick find no peace and the young no hint of beauty or inspiration. Meanwhile in the minds of residents of these Cities of the Poor all those who live outside their boundaries are apt to be sweepingly lumped together as rich, though the actual income of many dwelling on the fringes of the Other City may sometimes be little, if at all, in

PRESENT CONDITIONS : INDUSTRY

excess of that ruling in the more prosperous working-class quarter, the main advantage of the poorer middle-class man's position consisting in greater economic security and more room to live. On the whole, it is to be doubted whether the thoughtful worker is so much concerned with the vagaries of millionaires, whom he classes with the freaks and exceptions of the social order, as with the favoured position, in comparison with himself, of all those who command some security in living, who do not hold their position, whether earned or unearned, at the mercy of a week's notice—people to whom the cyclical fluctuations of trade, a fall in the value of certain shares or the oscillations of the professional barometer bring (it seems to him) no worse terror than a curtailment of pleasures or some lessening of ease—at worst, the suppression of needs which are in no way vital to human well-being.

Geographical separation serves to complete what economic inequality began. The workman lives in one world, his employer in another. And when the industry which is the meeting-place of the two is swept by a storm, it is the workman who first goes under and his home with him. There is no visible attempt to take shares in evil fortune, to soften the calamity by distributing it among all ranks. The one City is devastated ; the other pursues, to all outward seeming, the even tenor of its prosperous way.

It is difficult to conceive of a social order more alien to the ideals of neighbourliness and good citizenship, less in harmony with the mind of Christ and the ideals He bade us follow, than one which issues in such segregation, physical, mental, and moral,

INDUSTRY AND PROPERTY

and, by its distribution of wealth, gives to a certain minority of the nation that superfluity of riches of which He predicated peril for the possessor, while leaving a large part of the population incapable by their circumstances of any full development of personality.

II. THE PRESENT SYSTEM OF INDUSTRY

In this system the "partners in industry," if we may use this phrase to describe the association of Capital, Management and Labour for industrial purposes, occupy positions sharply differentiated the one from the other. With Capital, which supplies the funds necessary for the initiation of the undertaking, and may further contribute to its extension and development by the taking in of new partners or the raising of fresh share capital, lies the planning and direction of the lines of the enterprise, the control of the volume of business, the adoption and maintenance of methods of production, including factory conditions which intimately affect the life, health and morals of the workpeople employed, and the acceptance or rejection of financial risk. In the large private firm or the limited liability company the details of working are mainly in the hands of Management, whose reports and counsels, the outcome of practical experience, tend increasingly to influence the general policy. Labour, the indispensable instrument of Capital in the execution of its plans and purposes, has little part in these high matters. Workmen in general are ignorant of the "business position" of the firm which employs them; the financial commitments, perils, prospects

PRESENT CONDITIONS : INDUSTRY

of the concern are quite outside their ken. Such forecasts of its immediate future as they may make depend on the immediate activity of the factory, the question whether orders are for the moment many or few. Should some of them, shrewder or better informed than the rest, suspect that a disaster which will involve them and their mates lies ahead as the fruit of existing policy, there is no recognised means by which they can bring any influence to bear on those responsible for that policy. Their employers may be producing recklessly, or dismissing workpeople as a result of inefficient management, without the workmen having any opportunity of understanding the cause or remedying the position. And if this is the unequal status where Capital is represented by a single employer or firm of employers, the inequality becomes even more striking when one of the parties in industry is the limited liability company. Here is, as nominal employer, a body of shareholders unknown and unknowing, often no better informed as to the financial soundness of the undertaking than the workpeople themselves, and in complete ignorance of the conditions in which, on the productive side, it is carried on ; as mediate employer, a Board of Directors representing the Company's shareholders ; as immediate employers, a Managing Director and a staff of salaried servants of the Company whose powers of initiating action or remedying grievances in favour of the workers must obviously be limited, however sincere and enlightened their good-will, by the pressure of the general policy of the Board and the necessity of making profits.

INDUSTRY AND PROPERTY

By the ultimate employer—the shareholder—the existence of the individual worker is scarcely discerned. The worker can make himself felt only by corporate action, which takes the form of a strike or the threat of one. As the joint-stock system of industry predominates in the industrial life of the country (and it has already covered practically the whole field of the great trades), the thin-drawn link of personal, human connection between employer and employed, Capital and Labour, waxes ever more tenuous, until talk of “partnership” becomes tragically unreal. The interests of the groups are often, it may be, identical; but it is difficult to blame the workman if he does not see this. He has no guarantee that the new policy of reducing *personnel* or cutting rates is necessary to keep the industry alive, as his employers assure him. Thus is the atmosphere of suspicion bred, and a moral cleavage between the associated groups grows more profound.

Another fact that cannot be ignored in the unequal position of these groups lies in the unequal effect on their members of good times and bad. Prosperity in the undertaking which brings large increases of fortune to leading shareholders and some growth in comfort and security even to those having a small holding may for a long period affect not at all the financial position of the men and women who draw a bare livelihood from the production of the article for which a great demand has been successfully created. Moreover, when a rise in wages is claimed and gained, it is frequently only after a considerable struggle and possibly at the cost of a strike and

PRESENT CONDITIONS : INDUSTRY

its attendant privations. If the workpeople are unorganised or ill-organised the claim may be rejected; in any case the "lag" is painfully felt. A decline of the industry, on the other hand, has an immediate effect in reduced wages, short time, unemployment or actual dismissal in the case of the workpeople, who see the lives of the heads of the business and their families proceeding tranquilly on accustomed lines while they themselves suffer privations, or even destitution mitigated by unemployment benefit or the Poor Law, and look into a future in which their means of livelihood are absolutely uncertain. Perhaps the members of the Board or the partners in the firm have prudently "put down" something or "drawn in" somewhere. But their economies—even the economies of the manager with his fixed salary—have not been made in respect of the necessities for a decent life. Herein lies the sting of the contrast.

We recognise that the situation as we have described it is modified, and in many of the more skilled trades profoundly modified, by the existence of Trade Union organisation. Where this organisation is effective because it includes, either as individuals or through the medium of federation, the majority of those engaged in all departments of the industry, it can bargain, up to a certain point, on something like equal terms with Capital. It is by their power of collective bargaining that the workers of the great organised trades have succeeded in establishing a more or less uniform standard of hours in industry and, in the several industries, agreed rates of pay. But the organised workers'

INDUSTRY AND PROPERTY

position, strong in times of prosperity, weakens as soon as the slump sets in. Corporate funds are necessary for the maintenance of this position; if these are depleted by a protracted period of unemployment or the strain of a trade dispute his dependent position becomes quickly manifest. Nevertheless, the potential power of organisation is never lost; since it will revive with a renewal of industrial activity it remains even in the worst seasons of depression a force to be reckoned with, however seriously handicapped by imperfect knowledge and the hampering pressure of immediate needs.

III. PREVALENCE OF WAGES BELOW THE STANDARD OF ADEQUATE LIVING

It was, strangely, during the period of the Great War that wages were probably more adequate to the needs of life, at least on its physical side, than at any other period of the history of this country. Perhaps the coincidence was not altogether strange, for rapid and efficient production being then a vital matter, the necessity of maintaining the operative at his productive maximum was generally recognised. The Trade Unions wielded special power and influence at such a time, and the shortage of labour gave support to their demands. But the lessons of that stern period are already forgotten or ignored. Real wages in certain important trades have not only fallen to pre-war level and below it, but there is a marked tendency to call for harder work and bigger output coupled with reduced wages and longer hours, even where conditions of trade do not

PRESENT CONDITIONS : INDUSTRY

compel drastic reductions. There are not wanting voices to urge that the more prosperous industries should reduce their wages to the level of those prevailing in trades on which the slump has borne most heavily, thus making the lowest wage the national norm; others there are that cry for the abolition of the Trade Boards system, which in a number of occupations is for some two millions of women and unorganised men the sole effective barrier against a return to conditions of sweating. Where Trade Board protection does not exist, and there is no effective organisation, the wages of women are to-day once more found at their old level in pre-war value of about 12s. a week. This fact remains ungrasped by the ordinary citizen and reader of newspapers, because the nominal wage reaches a much higher figure, and it seldom occurs to him to correlate that figure with the increased cost of living.

But, apart from the special position of women in industry, always more precarious economically than that of men, we have had to consider the larger problem of those workers and their families who live habitually below the poverty line, or so little above it that they are always ready, at the stroke of sickness or unemployment, to fall on the other side. Here is a substantial proportion¹ of the population which,

¹ Mr. Seebohm Rowntree, in his book on *Poverty*, calculates that the first of these classes constitutes 9·91 per cent., and the second 21·5 per cent. This was a pre-war estimate, and post-war changes call for a re-examination of the data on which these figures were based before they can be accepted as more than approximately correct at the present time.

INDUSTRY AND PROPERTY

because it cannot, at the present rate of remuneration of its bread-winners, be adequately housed and fed and clothed and must remain without means of satisfying any of the higher needs, tastes and aspirations of human nature, is bound to lead a stunted existence. Neither body nor mind can develop freely in such circumstances, so both suffer from arrested development. In childhood, educational opportunity remains ungrasped ; in adolescence and manhood, such energy as exists is expended in grasping at the nearest job that will sustain life or keep a roof above the heads of wife and children. No time can be spent in the learning of a skilled trade or following the bent of any natural gift which, trained and cultivated, might lift the possessor out of the morass of his surroundings. The national as well as the human and spiritual waste among these two classes is not to be measured in words or figures. Where the employment is casual, there is added to inadequate means of living that downward pressure upon character which seems inseparable from irregularity and uncertainty of occupation. Throughout both groups family life is constantly dislocated and the upbringing of children imperilled and marred by the absence from home of the wife and mother compelled to engage in wage-earning in order to keep her household going. Where it is the solitary woman or girl whose wage is below or barely at the subsistence level, the moral danger is acute. And the boon of continued education which might open a way of escape for the children is as far as the law permits repudiated by parents, whose first pre-occupation must be to provide their boy or girl with

PRESENT CONDITIONS : INDUSTRY

food ; to these, anything that delays the transformation of the dependent child into the wage-earner seems no blessing but a curse. Yet such early wage-earning it is which ensures for these children a repetition of their parents' existence. They get no glimpse of the fields of liberty ; their idea of pleasure is in some physical reaction from the sordidness of life as they know it.

We do not ignore—on the contrary, we recognise gratefully and hopefully — the increasing attempt of the community to meet and mitigate the evil effects of inadequate wages. National and municipal effort to preserve the child life of the country, to create educational opportunity, to provide healthy outlets for youthful spirits and to satisfy the craving after natural pleasure of young creatures brought up in crowded or insanitary homes, are among the most cheering social experiments of our time. They will be referred to in their proper place on a later page of this Report. But they touch at best only a small proportion of the lives affected and leave the problem of the family which cannot find means to become self-supporting unsolved. There is even a danger lest they should, by masking the evil of inadequate means of living, cause forgetfulness of its existence, and persuade us to accept partial palliation of a deep-seated national malady when we ought to be seeking its radical cure with passionate eagerness.

IV. WOMEN IN INDUSTRY

While the foregoing general observations apply to all persons industrially employed it is necessary to

INDUSTRY AND PROPERTY

refer briefly to the position of women in industry, which in some respects differs and must continue to differ from that of their men fellow-workers. A large majority of women in factories and workshops are under twenty-five, and if we extend the age to thirty, the proportion of women workers included in that age-group may be said to constitute the main body in this division of the "industrial army." By far the greater number, then, of our women workers are young and unmarried. At the other end of the scale is a small group of women who have returned, in middle or later life, to wage-earning through the loss or disablement or unemployment of their husbands: only in the textile trade do we find women continue steadily throughout active life in the trade which they entered as young girls. These simple facts account at once for much of the special instability in women's industrial position to which reference has already been made. The great mass of girl workers enter a trade with no expectation or desire of remaining in it permanently: it is to them a means of livelihood until such time as marriage and a home of their own shall claim them. Consequently, they are not prepared, even were entry into the skilled ranks of their chosen industry offered to them, to spend long years in the position of an apprentice: they look rather for processes easily learned, for quick promotion to piece-work, and a rapid rise in earnings. Employers, on their side, have to deal with the discouragement and, in many cases, the determined opposition of the organised men to admission of women into the skilled ranks, and they are not disposed to offer any serious resistance to the

PRESENT CONDITIONS : INDUSTRY

men's attitude, seeing how little they can count on retaining the services of the women for more than a few years. These considerations seriously handicap the young woman in the labour market; and, as they indispose her to take her industrial career very seriously, they react upon her as a potential trade unionist. The enthusiasm of fellowship created by the national tasks imposed upon women during the Great War having died down, we are again in the presence of the old difficulty of persuading women workers, so long as things are going tolerably well with them, that there is any need for organisation on their part and, when things go ill, of inducing them to remain in the organisation to which they belong. The smaller group of older women have their own special disabilities—first, of poverty creating a desperate need to earn, at all costs, something, and then of a number of domestic ties and duties which seriously impair their efficiency as industrial producers, reacting on health and time-keeping, and preventing concentration on their job. These are the workers who, where they are not protected by the saving minimum rate of the Trade Board, help to pull down, and keep down, wages to a disastrously low level. The strain of the attempt to double the domestic and industrial parts is seen most strikingly in their case; but there are few women and girls of any age who do not suffer from it in some degree, often to such an extent as makes equal competition between them and their brothers a matter of rare occurrence. Direct competition in the same processes between men and women is, however, much less common than is generally sup-

INDUSTRY AND PROPERTY

posed. As a rule, the two sexes find their way into specific occupations, sometimes because the occupation is clearly more suitable for one sex than the other, sometimes at the bidding of mere custom and convention. There are light, interesting, skilled trades from which women are debarred by the concerted action of the men's organisations; there is heavy and dirty work, which they constantly undertake without remonstrance on their own part, or on that of the men in the trade, because it has long been the habit to employ female labour in this particular kind of operation, because it is unskilled and poorly paid.

It is held by some who are keenly anxious to see women's position in industry raised and stabilised, that this desirable end would be quickly reached if State protection of women workers did not include certain restrictions on their hours of labour, such as the prohibition of night work and Sunday work. Comparative study in the wide field of international industry does not confirm this view. On the contrary, it is found that in those countries where women are employed during all hours of the twenty-four and on all days of the week, their position is actually more depressed and unsatisfactory than that of British women workers, with a markedly greater difference between the standing of the two sexes. Only after the efforts of the pioneers in factory legislation had secured for women workers in this country a standard of decent conditions, freedom from excessive overwork, and a guaranteed minimum of rest and leisure, did women show any desire or make any movement to associate themselves together

PRESENT CONDITIONS : INDUSTRY

for the improvement of their industrial position. It is hardly too much to say that Trade Unionism in the case of women, in so far as it is a living power, has been built up on the foundation rock of the Factory Acts.

Those Acts themselves doubtless need adjusting to modern needs and the changed custom of a swiftly moving industrial development. Public opinion, of which they are the outcome, can easily reform and improve them if it will. It is also free to insist on the principle that, where the same work is done, there, by whomsoever it is performed, the payment shall be the same also. Were this principle of simple justice made the test to which questions of the differing wages of men and women workers must be submitted, many problems of industrial co-employment would be solved and much bitterness avoided. The question is one for proof; and if the experiment is to be a fair one, those who make the assay must rid themselves on the one hand of the presupposition that a woman's work is necessarily inferior to that of a man in fields on which it is possible for the two to compete on even terms, and, on the other, of the idea that confident assertion of a capacity for equal production will go any way towards establishing their case.

V. YOUNG PEOPLE IN INDUSTRY

We have happily no longer to deal, in this connection, with the employment of the child of elementary school age in factory or workshop. Up to fourteen the boy or girl is, by law, excluded from employment

INDUSTRY AND PROPERTY

in any industrial undertaking.¹ The problem of the boys and girls between fourteen and eighteen is, however, one of pressing importance, from the economic, civic and moral point of view. There is no doubt that the large number of young persons entering the labour market every year, as their brief school-time comes to an end, constitutes a serious factor in the sum of unemployment of adult men and women. There are still too many industries in the country which are run on juvenile labour, in places where the standard of conditions is low, and the surroundings neither wholesome nor desirable for growing youth. A frank adoption of the policy of raising the school age linked with a system of maintenance grants would bring immediate sensible relief where the pressure of unemployment is most cruel among the lowest ranks of labour. It would also preserve the nation from rearing a generation of young men and women made familiar with all the temptations and evil influences of unemployment before they have learned, by experience, their first lessons in the dignity and joy of work.

There is one other feature in the position of the young industrial worker of the present day which calls for serious consideration. This is the decay of apprenticeship—at its best a valuable school for mental and moral as well as physical training—and its replacement by a vague learnership during which little care is taken to impart any real craft-lore. The peril to an industrial country already danger-

¹ Children of twelve and upwards may still be employed under local by-law in a number of unregulated occupations before and after school hours.

PRESENT CONDITIONS : INDUSTRY

ously depleted of its stock of skilled men, as well as the disadvantage to the learners themselves which such a change involves, is plain for all to see.

VI. SPECIAL CONDITIONS AFFECTING AGRICULTURE AND THE RURAL COMMUNITY

While some of the wider general considerations on the position of the industrial worker apply *mutatis mutandis* to that of the agricultural labourer, acute differences between the two are not lacking. Economically, the land-worker is in a worse because a weaker situation. His direct employer is usually a tenant farmer, responsible, in the tripartite organisation of English agriculture, to the owner of the land for which he pays rent, and dependent for his own livelihood and profits on products exposed to uncontrollable fluctuation in quality and quantity and disposed of in markets ruled by the effects of natural seasons on the other side of the world. Much agricultural employment depends on weather; when this is unfavourable to open-air work, the labourer may—unless he be a horsekeeper or a stockman—find himself on short time or temporarily unemployed. The level of his earnings was always low; even in 1914 the average wages of the agricultural labourer, in the majority of cases a married man with a family, were considerably below the total of pay and allowances received by the trained private soldier, usually young and unmarried. In March 1923 the total emoluments of the soldier had risen to £2 9s. 3d., while the average wages of the agricultural labourer stood at £1 7s. 11d., representing in proportion to

INDUSTRY AND PROPERTY

the cost of living a serious decline in real wages on his pre-war 18s.¹ Only during the brief existence of the Agricultural Wages Board had he any security for the continued adjustment of his rate of wages to the cost of the necessities of life, and particularly of food, the principal item of his household budget. In respect of rent he has the advantage of the town worker, though the average cottage rent must be regarded mainly as the pendant to a weekly wage fixed at such a figure that the payment of an economic rent for a good family cottage would have left the labourer in most instances with insufficient means for actual subsistence. He has, too, in many cases (not in all) some garden ground which provides him with the means of growing additional food. Where in addition allotments can be had at a low rent, the food produced forms a large item in housekeeping. (A great extension of the allotment system took place during the war period and has happily been maintained, to the incalculable benefit of many town dwellers as well as that of the rural labourer.) In certain localities the traditional "allowances" in kind may still be found, but they have become exceptional and tend to disappear altogether. The cheapness of his dwelling is frequently

¹ Report of Committee on Pay, etc., of State Servants, July 1923. This "pre-war 18s.," it should be remembered, represented the *average* and not the actual wage of the agricultural labourer. While in certain districts of the North the actual wage rose above 18s., over wide areas of the South it fell far below that figure, weekly wages of 13s. and 14s. being still common up to 1914. Obviously, in such areas the labourer's present purchasing power has fallen little if at all; in some of the worst-paid it has been increased.

PRESENT CONDITIONS : INDUSTRY

offset by its character as a tied cottage. There is perhaps no feature in the lot of the agricultural labourer which so embarrasses his freedom of life and work, at least after marriage, as the fact that he often lives "in the master's rents," and can change his employer only at the price of losing his home. Yet, with the gradual dying-out of the custom of yearly hirings, his security of tenure is now little greater than that of the industrial man; only in Scotland, where the position of the farm-servant is more fixed and intimate, do the older and more stable conditions to some extent prevail. In England, a cottage home once broken up is not easily re-established, for the shortage of cottages in many agricultural areas is acute, and little building is in progress of which the results will be available for the rural labourer with his reduced rates of pay. So he is forced back, in many cases, upon the older cottages which their owners are afraid to replace by new ones and find it not worth their while to repair, and lives in overcrowded and insanitary conditions. Moreover, since he lacks in his village many of the social services which are available to the townsman, he has fewer avenues of escape from depressing surroundings and far fewer chances of self-improvement. It is true that modern long-distance transport carries the young people to the nearest town, and Women's Institutes are bringing fresh interest into the lives of the married women, but these things do not much affect the labourer himself. Outwardly the old threefold social order persists, but its life has left it. The landlord is for the most part a new-comer, without love for the soil or interest

INDUSTRY AND PROPERTY

in the people who live on it; the farmer's past prosperity of the war years and his present struggle with the difficulties of their aftermath have alike served to remove him further from his labourers in sympathy and understanding, making common action increasingly difficult. The labourer, in spite of his continued dependence, occupies a more isolated position than in pre-war days, and his outlook to the future is not encouraging. Small holdings¹ are few, and fewer still are the rural labourers who obtain one of these coveted prizes. The future of his industry is by every account precarious, and by that of his employer alarming. Only in his right to an old age pension, relieving him from the dread certainty of "The House" or, in favoured cases, the Poor Law allowance of bread and a few shillings a week as the sole refuge of his later years, can he be said to have effected a substantial improvement on his position in the 'eighties.

It is not easy for him to organise himself, and even as a member of an organisation he finds corporate action a difficult business, though modern means of cheap locomotion are reducing the difficulty. He is hampered, intellectually, by an education which ceased at an earlier age and was in general less intelligent than the townsman's; and his circumstances make him far more dependent, politically and economically, on the good-will of the employer who is also his landlord. For years he accepted passively the stereotyped disabilities of his lot; after the

¹ The expression "small holdings" is here used in the strictly technical sense of statutory holdings created under the Small Holdings Acts.

PRESENT CONDITIONS : INDUSTRY

movement initiated by Joseph Arch died down, there was long quiescence in the ranks of agricultural labour. But the ranks are astir now, and with a new spirit, the spirit of revolt brought into them by the young men returned from trenches in France and camps in Mesopotamia. It is a singularly bitter and impatient spirit, finding grounds for its bitterness and impatience in the sudden reversal of agricultural policy which has stripped the labourer of the status he was in process of acquiring under the Agricultural Wages Board, and so reduced his average weekly income that he hovers constantly on the verge of destitution.

Organised Christianity, as represented by the Church of England in our rural parishes, showed itself for long singularly insensible to the needs and disabilities of the great scattered army of workers on the land. Yet here was no segregation ; the plight of the village labourer was plain to see, at least to the neighbour dwelling beside him, and might well have awakened a championship like that of "S. G. O."¹ in the dark days of the mid-nineteenth century. At this moment there is no class whose position constitutes a greater reproach to our failure to apply Christian principles in the conduct of industrial life.

VII. THE POWER CONFERRED ON SOME PERSONS OVER THE LIFE OF OTHERS

This, in our industrial system, is a problem full

¹ Rev. Lord Sidney Godolphin Osborne (1808-1889), a well-known writer in *The Times* over the initials "S.G.O."

INDUSTRY AND PROPERTY

of serious implication. We have seen that the whole direction of industry—the nature of its products, its methods of production, the domestic organisation of the places in which production is carried on—is in the hands of comparatively few persons, although these stand in many instances for a comparatively large group who take no share in the enterprise beyond lending it their money at interest. Add to this the mechanical character of nearly all modern industry, tending, as it does, to the obscuration and depression of the human element, and it will be realised how small is the opportunity for self-expression in the contemporary factory. It is the desire for self-expression which, as much as the ambition to take a share in the control of industry, increasingly prompts the demand for “workers’ control” or share in management. The dictatorial manager, the unjust or bullying foreman, may by his conduct rouse this desire in quarters where it has been dormant, or render it violent where it has previously found peaceable utterance; but it exists independently of them, in work-places where the wheels of organisation run smoothly. Men and women have become conscious of themselves in conditions which they had no part in setting up and are unable to modify. Changes in the factory, when they occur, may be welcome or unwelcome; in any case, the change is not of their choosing. The power of discharge, with its tremendous issues for their lives, lies in the hand of one man, and against it there is no appeal. As complete is the power of another man to determine a career by the assignment of a job, to give the capable lad his chance or refuse it.

PRESENT CONDITIONS : INDUSTRY

VIII. UNEMPLOYMENT

The evils of unemployment are with us in a form so impressive and instructive that it would be waste of time to enlarge upon them. True, in the present crisis we have not had to face the horrors of sheer destitution as in the days of lesser calamity before the Great War; so much at least our system of Unemployed Insurance has wrought of good. But unemployment benefit, miscalled the "dole," while it prevents to some extent the physical breakdown of the worker, and preserves him from the misery of becoming a helpless spectator of physical suffering in those dependent on him, cannot deliver him from the strain of anxiety, the sickness of hope deferred and again disappointed, the growing mood of despair; nor yet from the loss of skill unused, the gradual deterioration of energy, or that moral degradation of the non-worker which haunts the better man like a nightmare, and is too easily accepted by the worse. The manufacture of unemployables out of the unemployed is a product of which a great industrial nation may well stand in fear, while to the Christian it can hardly seem less than acquiescence in the murder of a brother's soul. When the unemployed are the young, newly dismissed from school, and these are being rendered by compulsory idleness unfit for work before they have taken the workman's tools in hand, the responsibility of the nation and of the Church seems even greater and more disquieting.

Two special points arise in connection with the recurring problem of unemployment, which seem

INDUSTRY AND PROPERTY

to deserve and demand the close study and consideration of Christian people. The first is the doctrine and fact of the continuous reserve. If there must be a margin of labour on which the country may draw at need in times of industrial pressure—if in a society employing all its able-bodied workers at any one time the welfare of the community would suffer—then Christian citizens are bound by the principles of their profession to see that those who “stand and wait” for the advantage of the State and their fellow-citizens suffer neither materially nor morally in the process. It is not easy to carry out this double duty. Merely to maintain a man is not enough; he is to be maintained in his dignity as a man, and this precludes maintenance in idleness.

Secondly, we cannot be content with any reduction, however effective, of the hardships of actual unemployment, while the *menace* of unemployment remains to poison the lives of so vast an army of our brothers and sisters. It is security that the workman wants—wants more than high wages or shorter hours or “welfare” conditions. Indeed his insistent demand for higher wages and a still shorter day is often in part at least the outcome of fear—fear of unemployment for himself or his fellows.

IX. THE PREVALENCE OF INDUSTRIAL STRIFE

When the foregoing considerations are thoughtfully considered, the prevalence of industrial strife seems natural and inevitable.

Between the groups of Capital and Labour is deep

PRESENT CONDITIONS : INDUSTRY

suspicion—suspicion by the employer that the workman is out to get something for nothing, as much money for as little work as possible, till such time as he can snatch control of the system which Capital has built up ; suspicion by the worker that he is a subject for exploitation, a mere pawn in the employer's game, to be lured on to harder toil for the employer's profit and robbed of the fruits of his effort by rate-cutting or some other more insidious device when the employer's end is gained. Between them there is also ignorance—the worker's uneasy ignorance of the policy of the employer and the financial condition of the business ; the employer's ignorance—due rather to lack of imagination than want of knowledge—of the deep-seated terror that moves darkly, sometimes sub-consciously, the minds of men and women for whom the future holds no guarantee of security for the commonest needs. Hence these wars and rumours of wars ; strikes and lock-outs and threats of the one and the other ; the readiness of the Trade Unionist rank and file to distrust and disown leaders ; and the breaking of agreements or putting upon them a disingenuous interpretation. Collective bargaining tempers the ferocity of the conflict, but it does not of itself spell peace. Without trade organisations to conduct the campaign on either side, without associations of employers and unions of employed to call a truce and make a temporary treaty from time to time, the life of the industrial world would be reduced to anarchy. But the spirit of such negotiations, at its best, rarely rises above the level of two opposing armies which, having met and fought stoutly, hence-

INDUSTRY AND PROPERTY

forward regard each other with respect. If a friendlier feeling prevails in some industries, it is usually because the protagonists on both sides have so close a knowledge of each other's circumstances that suspicion has little to feed upon, the ignorance which breeds suspicion having been dispelled.

The end of industrial strife is to be found in mutual confidence; without confidence there can be no peace. And for confidence to grow and flourish it must be rooted in knowledge and in justice. Otherwise industry remains as we see it to-day: organised in two armed camps, ever on the watch to use the weapons of offence which each force is accumulating against the other, biding its time from one battle to the next—a thing profoundly un-Christian in its human relations.

CHAPTER III
PRESENT CONDITIONS: FINANCE

CHAPTER III

PRESENT CONDITIONS: FINANCE¹

THE operations of finance are indispensable to a modern community. Banking, credit and investment provide the life-blood of the economic system; and a high standard of integrity, intelligence and efficiency among financiers is essential to the well-being of all. We believe that the existing standard of honourable conduct in this country is high, but not high enough; and we think that there are many respects in which the institutions and methods of finance fall short of what is needed to provide a just and healthy social order.

We endorse the view that improvement of individual conduct and the winning of all classes of society, financiers included, to a Christian view of their duty to their fellow-men is of more lasting influence and importance than any mere changes in organisation or alteration of laws on the Statute Book; for whatever reforms may be introduced, the spirit of service will remain the indispensable condition for their successful functioning.

¹ We are mainly indebted for this chapter to a special committee consisting of a banker, an accountant, a merchant, a stock-broker, and a civil servant. As it is said in the text, the practical suggestions are intended as material for thought and discussion, not as recommendations to which the Commission is committed.

INDUSTRY AND PROPERTY

Nevertheless in what follows we desire not so much to appraise the existing moral code of bankers and financiers, still less to apportion praise or blame among those whom defenders of the present system distinguish as “respectable” and “disreputable,” but rather to consider in what directions the present system falls short of the Christian principle of social service, and what changes seem necessary and practicable in order to give all persons engaged in the business of finance a wider scope for honourable and disinterested conduct in the service of their fellow-men.

We propose to deal with the general question of Credit and Finance under four headings : Banking, Commercial Credit, Investment and Joint Stock Enterprise. The gist of our criticism of the present system is that it is an illogical compromise between old traditions and new needs ; that notions appropriate to a simpler state of society still cling to institutions and business arrangements totally different from the individualistic system of economic relationships out of which they have arisen. Society has blindly attempted to pour new wine into old bottles ; or, to vary the metaphor, it has grown up from childhood to adolescence without realising the necessity for a change of clothes.

1. *Banking*.—A hundred and fifty years ago a man might start a bank as simply and readily as he might to-day set up as a pawnbroker. To-day the bulk of the banking in this country is in the hands of five large Joint Stock Banks with deposits running into thousands of millions. The modern Joint Stock Bank is to its predecessor what a railway

PRESENT CONDITIONS : FINANCE

company is to a carrier and his cart. It has become a nation-wide institution of public utility, a vital public service. But in the eyes of the law a bank is still a private concern of the shareholders, who may decide to carry it on or close it down or pursue what policy they like. In practice, of course, the shareholders decide nothing of the kind. They are for the most part mere ciphers, knowing nothing about banking, and performing no function except risking their money and receiving a steady dividend. The large Banks could not possibly be allowed to fail. This was demonstrated at the outset of the War, when the Government stood behind the Banks, granted a moratorium, and put the credit of the community behind millions of pounds' worth of private bills. The bank shareholder is merely a guarantor to the extent of his paid-up and unpaid-up capital and reserves.

The effective control of the Joint Stock Banks is in the hands of permanent officials and Bank Directors—nominally appointed by the shareholders, but in fact selected by co-option, and largely recruited from the most influential customers of the Banks. The immense power wielded by the Banks rests in the hands of a small oligarchy of wealthy men. These men constitute, in Dr. Walter Leaf's words, "the universal arbiters" of our national economy. They habitually decide the extremely important questions to whom, to what extent, and for how long, and for what purpose the temporary credit of the community shall be lent.

If Bank Directors and Bank officials are to remain the "arbiters" of our social economy, they should

be recognised by public opinion and the law of the land as public servants responsible, not to a collection of unknown shareholders, but to the community as a whole. This implies either (1) State Banking, or (2) the transformation of Joint Stock Banks into statutory Public Utility Companies, or (3) some modified system of semi-autonomous administration under which Bank Directors would become Trustees for the community without complete nationalisation. Our main object, however it may be accomplished, is to make it legally and morally possible and right for upright bankers to place the general welfare of the community first, whenever it conflicts with the claims of powerful private interests, and for the community to give support to bankers should such support be necessary.

2. *Commercial Credit*.—It is a commonplace that industry and production depend on markets and that buying and selling in the modern world absorb a growing proportion of the energies of persons employed in business. The technique and mechanism of marketing and wholesale commerce are still dominated by the “carrier’s cart” order of ideas; they have lagged behind in the growth of large-scale planning and organisation which has taken place in industry. They are too much the happy hunting-ground of the speculator and adventurer, and too little concerned with the service of providing a link between producer and consumer, which is their real object. For this reason we regard the growth of co-operative marketing, and what the Americans call “orderly marketing,” as more consonant with the ideal of social service than

PRESENT CONDITIONS : FINANCE

the methods of the Chicago "pit." Speculation and gambling in futures by amateurs and even by professional operators represents a low stage of economic development, and is destined to give place in our view to a more stable and less wasteful system of centralised marketing by co-operative societies, public utility concerns and State organisations.

The instability and uncertainty (inherent in a system of speculative markets) are much accentuated by the elasticity with which under modern conditions commercial credit can be manufactured by the Banks. Those who control credit, control speculation; and modern research has shown that the vagaries of speculation are one of the chief influences in bringing about booms and slumps, feverish activity followed by over-production and unemployment, and the disastrous fluctuations of prices which cause so much social injustice and bitterness. We cannot exaggerate the importance we attach to the hopes now held out by leading economists and financial experts, that a scientific control of credit would mitigate these evils.

3. *Investment.*—We regard it as a public service to save, so long as the individual's income is more than sufficient to provide for a civilised standard of living for himself and his family. In return, we think the community should assist the individual to secure a due return for the saving made. The right of inheritance and questions of taxation do not arise here. What we desire to emphasise is the necessity of accumulating real savings and the social and economic evil of luxurious expenditure

on forms of consumption that do nothing to promote the well-being of the community. It follows that the general level of wages should be sufficiently high to enable every wage-earner to share in the increased prosperity due to such saving.

The accumulation of savings and the growth and replacement of capital are of such vital importance to the community that a larger measure of financial education and social direction seems necessary to avoid the serious waste and misdirection that now takes place. The ordinary investor is often unqualified to judge of the merits of new issues and ignorant of the uses to which his capital is to be put; and yet he is expected by law to assume all the risks and responsibilities of ownership. It seems highly desirable that the ordinary investor should be more carefully protected from exploitation by the unscrupulous, and where he cannot afford to take risk should be assisted to make safe investments in co-operation with others by means of sound trust companies. There is no objection to individual enterprise in the proper place; but obviously the greater part of the economic system is and must be in the domain of corporate enterprise. But corporate enterprise is at present in a transitional stage, and is still dominated by traditions associated with forms of private enterprise which are now obsolete.

4. *Joint Stock Enterprise and the Company Laws.*—The notions of private enterprise and private property have been profoundly modified by the invention of limited liability companies, and the growth of property in shares and other securities.

PRESENT CONDITIONS : FINANCE

Until the middle of the nineteenth century, indeed, public companies were regarded as the antithesis of private enterprise, since they were run by salaried officials on behalf of the owners. Salaried officials were thought likely to be less efficient and trustworthy than a man looking after his own private affairs. Nowadays this contention has lost its force ; it is a criticism more often applied to State and municipal officials than to company officials. When we discuss "private enterprise," therefore, as popularly understood, we should more strictly speak of the enterprise of salaried officials employed by public companies belonging to private individuals.

A "share" in a railway company is clearly a different kind of private property from a horse and cart. A man can do what he likes with his horse and cart, but though he can sell or pledge his share as he likes, he cannot do what he likes with any portion of the railway. What then does the "property" of a shareholder amount to? What degree of control can he exercise over the management of the business of which he is a fractional and often a purely temporary owner? Are his responsibilities and duties commensurate with his rewards? Does he as a shareholder or proprietor perform any useful function, which might not be equally well performed by a debenture-holder or other kind of investor? Does the community as a whole derive sufficient benefits in return for the privilege of limited liability and the right to receive what appear to be in many cases excessive profits, which it thus confers on shareholders? Lastly, should important communal services be run primarily in

INDUSTRY AND PROPERTY

the interests of the shareholders or in the interests of the general public? Or can it be maintained that these interests are identical?

It is questions of this sort (among others) which are raised by those critics who condemn the "capitalist system." Admittedly it is not easy to find an answer to them all. But it is worth remembering that, as Lord Milner says in his recent book, *Questions of the Hour*, "Joint Stock Enterprise is not necessarily the last word in industrial organisation." It is not necessary to be an extreme socialist to wish to see the existing Company Laws brought into greater harmony with the social conscience of to-day.

As regards the shareholder's responsibilities, it is often held that he is morally responsible for the wages and conditions of work of the employees in the business. This is no doubt true and valuable doctrine. But how often can he effectively discharge this duty? Before he can exercise even his single vote he must have knowledge of the facts. But in practice what chance has the average investor of knowing the relevant facts? Actually, although he is a part proprietor, he has no more right under the Company Laws to investigate the detailed operations of the business he partly owns than any member of the public unless and until a majority of the shareholders so resolves (Section 110, Companies Act, 1908).

But if he is morally responsible as shareholder, is he not also responsible as a citizen and voter for seeing that the law is so amended that the facts may be ventilated and the proper remedies applied?

PRESENT CONDITIONS : FINANCE

In principle, therefore, the modern conscience demands the enforcement by law of a greater *publicity* as to the conduct of joint stock companies, in the belief that a healthy public opinion would check many abuses and injustices.

But the objection to the present system goes deeper. Both those who attack and those who defend private property and the capitalist system are apt to miss the distinction between the thousands of small shareholders who *own* the bulk of the capital in industrial concerns, and the Directors (who may or may not be large shareholders) who *control* these vast aggregations of other people's capital. It is the control of capital by a few men rather than the ownership of capital by all and sundry which constitutes the chief ground of criticism of the present system. It is undeniable that a comparatively small number of men, armed with all the vast resources which modern investment gives them, possess a power over the conditions of life of their fellow-countrymen quite unparalleled in any previous epoch. It may be and probably is inevitable that the actual conduct of modern industry should get into the hands of a few men. But the all-important question is the manner in which they exercise their power, and to whom they are held responsible for their conduct.

It is here that the present system seems anomalous and contrary to sound social principles. Directors are supposed to be the servants of the shareholders, looking after their private affairs as a trustee or steward looks after a private estate. But in fact, as we have seen, the shareholder is often no more

than a cipher, who buys and sells "shares" as light-heartedly as he buys and sells bonds or Consols. And the business which the Directors are actually looking after may be in fact the very life-blood of the community. Take the Joint Stock Banks, for example. Are they, or is the Bank of England, a private concern of a haphazard collection of unknown shareholders? Or are they, as Dr. Walter Leaf described them, "the universal arbiters of the world's economy"? They are both perhaps; but if so, is there not a conflict of moral obligation involved? If the existing captains of finance and industry are to remain as they are to-day, "the arbiters" of our social economy, should they not be recognised by public opinion and by the law of the land as public servants entrusted with some of the most essential functions of government? This may sound like a plea for nationalisation of the Banks and key-industries. But there is all the difference in practice between the Government taking over industries and Banks, and those who have control of Banks undertaking part of the duties and responsibilities of Government. It is the second alternative which constitutes the vital issue of the day. The leaders of industry and finance should be recognised as public servants, and entrusted by law with the rights and duties corresponding to that high station. This is a plea for reorganisation of industry rather than nationalisation as ordinarily understood; for the elimination of the irresponsible shareholder by statutory provisions; and for the supremacy of the public welfare.

PRESENT CONDITIONS : FINANCE

It may be asked, "How would you apply these principles in practice?" On this it is impossible to dogmatise; but at the risk of raising controversial issues, a few possibilities may be noted for the purpose of stimulating thought.

1. Shareholders in some industries might be bought out by the State and given guaranteed Government stock, while the State undertook full or partial responsibility for administration. Something like this was recommended in the Sankey Report concerning mines.

2. In cases where it is undesirable that the State should be directly responsible for the administration, it might become a shareholder itself. This is the plan adopted in the case of the Anglo-Persian Oil Company and the Suez Canal Company, the British Government holding part of the shares and appointing one or more Directors.

3. In cases where a powerful combine already exists or where it might be advantageous to create one in the interests of efficiency and sound organisation, legislation might be passed by which such a trust would be converted into a public utility company (with a fixed or limited rate of interest for the shareholders), and responsibility for administering the Trust on behalf of the community might be directly vested in a Board of Trustees appointed for a term of years and independent of the political Government of the day. The State might perhaps participate in the profits as a deferred shareholder (this suggestion is borrowed from Lord Milner's book referred to above). Such a plan might prove the best method of dealing with the

INDUSTRY AND PROPERTY

Bank of England and the Joint Stock Banks, and certain staple trades and industries concerned with the necessities of life (building materials, food-stuffs, textiles, electricity, etc.). The latter case presents the possibility of including representatives of the workers.

4. The State might extend the principle of guaranteeing private enterprise against risks as under the Trade Facilities Act, and in return might demand limitation of profits and some voice in control either by the appointment of a public Director or by means of public inspection and audit.

5. In any general reform of the Company Laws attempts might be made :

- (a) To give the shareholders greater security, smaller profits and less responsibility in all companies which are performing a vital service to the community.
- (b) To place a more direct responsibility on the officials of the company for the conduct of the business in the best interests of the community.
- (c) To secure greater publicity as to costs and profits and the welfare of the employees, together with wider power of public inspection and audit. It is worth considering whether chartered accountants and auditors should not be given further statutory rights and duties as trustees of the public interests.
- (d) To ensure better co-ordination and financial stability by encouraging companies to co-

PRESENT CONDITIONS : FINANCE

operate and combine where competition is recognised to be wasteful and anti-social. There should be a Trust Law creating a new form of public company.

- (e) To provide for a large participation by the workers in the profits and the administration of industry. (This question lies outside the scope of this chapter.)

To conclude with a brief summary :

1. Property in shares is more often than not divorced from the function of management and from personal responsibility for the use made of the property.

2. The risk borne by shareholders in trusts and strong companies is not great ; but it is just these that pay the largest dividends. This is contrary to justice and public policy.

3. The element of speculation and gambling enters too largely into shareholding, where competition is excessive. It would be better where possible to substitute combination or co-operation, and to give investors a safe instead of a speculative field for investment by means of a Government guarantee or statutory monopoly.

4. Captains of industry should be primarily responsible to the community rather than to those who provide them with funds. Those who serve should hire capital instead of capital hiring those who serve.

CHAPTER IV
PRESENT CONDITIONS; COMMERCE

CHAPTER IV

PRESENT CONDITIONS: COMMERCE

INDUSTRY and commerce may be roughly distinguished according to the functions which they perform. The characteristic of industry is the transformation of one material into another. The essence of commercial activity is the marketing of materials. The two are often combined in the same enterprise, particularly in trades where large combinations exist; and of course every industrial enterprise has its commercial side. The profits of industry may be said to depend on the difference between cost of production and the realised price; commercial profits depend on the difference between purchase price and sale price. In addition there are many persons engaged in commerce who are remunerated by commissions, fees and brokerages.

Both commercial profits and commissions represent in general a necessary and legitimate remuneration for services rendered to producers and consumers. The trader buys in bulk, carries stocks, takes the risk of the market, and distributes the goods as required at times and in places suited to the convenience of retail buyers or the ultimate consumer. He thus relieves the producer of work, anxiety and financial risk, and by buying in anticipation of the consumer's demand enables industry

INDUSTRY AND PROPERTY

to function more regularly and smoothly. His service to the consumer consists in catering for his needs, anticipating his demands, and carrying stocks of varying types and qualities from which he can make his choice. To the producer he represents the demands of many consumers; to the consumer he offers the supply of many producers.

The sphere of operations of the merchant or trader is the market—or rather, since physical markets are not found in all trades, it is better to say “marketing.” It is hardly possible to exaggerate the importance of the many different problems which arise in connection with this function of marketing. No study of industrial problems or of the relations of employers and employed can afford to ignore the extent to which industry is dependent on commerce. A collapse of markets, even a temporary lack of confidence amongst traders, means the stagnation of industry. Since this is so, it may well prove that some of the worst evils of the industrial system are due rather to disharmonies in the functioning of commerce than to anything in the conduct of industry as such.

In addition to their economic importance, the operations of wholesale commerce raise certain moral and social issues.

1. As regards the goods supplied and the services rendered, the community may be compelled to intervene and either regulate or prohibit a dangerous or anti-social trade; *e.g.* the traffic in arms, the liquor traffic, the drug traffic, the trade in opium and the sale of drink to natives. Even where the community does not intervene, the individual trader

PRESENT CONDITIONS : COMMERCE

can hardly evade a certain moral obligation in connection with such traffic.

2. The current standards of commercial morality vary much at different times in different places and in different trades. Though integrity in business has an economic value and raises the credit of the trader, "honesty is the best policy" is not axiomatic or universally acted upon. To many men in business the daily conflict between commercial practice and the dictates of the moral code appears a recognised and unavoidable necessity; and the individual trader, in keen competition with rivals, is often powerless against forms of deceit and sharp practice which his fellow-traders accept as customary and excusable. Bribery, secret commissions, short weight, false description and misrepresentation are to be met with in most trades, even where the best firms set their face against anything of the kind. The temptation is greatest where competition is keenest, and there is some truth in the allegation that, at least among the fringe of smaller firms, the most unscrupulous come to the top.

Much can be done by Trade Associations to put a stop to such practices and to raise the general level of integrity by laying down standard forms of contract, defining qualities and standardising trade customs. The State can also intervene effectively by legislating with regard to such things as weights and measures, contracts, adulteration, trade-marks, etc. But the best and most respected firms will always be those who are scrupulously fair and honest in their dealings and are ready to subordinate immediate gain to their sense of what is right.

INDUSTRY AND PROPERTY

Honesty is more often and more successfully pursued as an end in itself than as a sound investment.

3. Competition is a fundamental feature of commercial operations. But equally fundamental is the instinct to build a dyke against competition, both to keep up prices to a paying level and to eliminate as far as possible the risks of loss. This leads to understandings and arrangements among rival firms, boycotting of new-comers and outsiders, and the gradual establishment of a close corporation or monopoly designed to exploit the consumer. Whether these tendencies succeed or not—and we seem to hear more of successful combination in recent times than formerly—it is undeniably true that the aim of most traders is to eliminate competitors rather than to encourage more competition. There is thus a fundamental contradiction and incoherence in a system of trade which sets up as its ideal a state of affairs which is contrary to the instincts and strivings of the majority of traders. Nor can a trader be expected on any moral grounds to encourage competition rather than combination; there is no duty to compete. The moral question arises rather in his relations to his customers and to the public. So long as these are not exploited, combination between rival firms seems every bit as moral as competition.

4. There are many ways of controlling or manipulating the market which in various degrees may be regarded as anti-social or morally unsound. Of gambling in futures and most speculation the best that can be said is that where it is based on inside information or intelligent forecast it tends to have

PRESENT CONDITIONS : COMMERCE

a stabilising influence on prices. As regards rings, pools, combines and trusts, no generalisation is possible. They are often beneficial, or at least their advantages may easily counterbalance their disadvantages. But modern opinion is inclined to regard some form of public regulation as essential both in the interests of other traders and of the general body of consumers. We think there is a strong moral case for State supervision of commercial rings and monopolies; and this policy is sounder and more likely to be successful than any attempt to break them up and to enforce competition by statutory enactment. Where the danger of exploitation is great and threatens vital public interests, as, for instance, in the alleged rings among builders' merchants, public supervision may be insufficient and may have to be superseded by some form of public enterprise.

5. As regards the rate of remuneration earned by merchants for their services, it is doubtful how far it is generally possible for the individual trader to control the amount of his gains and losses. In times of boom he is often involuntarily a profiteer; for the raising of prices (and incidentally of his own profits) is the only means he has of checking excessive demands and deciding which customers shall receive the limited supplies available. A great deal of moral indignation was vented on traders during the war and the post-war boom, which in the circumstances they did not always deserve. As so often, it was the system which was at fault, not the individuals, who are mere cogs in the machine. No amount of self-denying philanthropy

INDUSTRY AND PROPERTY

by merchants can counteract the effects of monetary inflation. If the scandal becomes too great, it is right for the public to demand that the State should intervene, but not to abuse individual traders merely on the ground that they are making excessive profits.

But booms are followed by slumps and big profits one year may be wiped out by heavy losses the next. It is, therefore, right that before the State interferes there should be a clear recognition of the merchant's function. Under present conditions the function of the merchant is to take risks. Very often the risks are greater than individual traders can be expected to bear. Hence the frequent breakdown of the marketing system. If the State is to intervene effectively, it should be in the direction of reducing risks rather than of reducing profits. This it may do partly by pursuing a wise political and financial policy, partly by mobilising State credit for the use and assistance of traders in times of depression. The recent legislation granting credit facilities for the export trader is an example of such beneficial State action.

The merchant's reward is no doubt often excessive; but his risks and his losses are also great. The remedy is to be found in preventing unnecessary price fluctuations (inflation and deflation) and in the scientific control and direction of credit. Where the merchant is relieved of risk and becomes a mere agent or distributor, his remuneration tends to be in the nature of a commission or fee and is often fixed by trade custom or by a Trade Association. In such circumstances commerce loses its

PRESENT CONDITIONS : COMMERCE

speculative character and approximates rather to a profession governed by recognised rules and rates of remuneration.

It is likely that as marketing becomes stabilised and organised through the adaptation of collective planning to industries as a whole, this will tend to be the line of future development. The ideal merchant would be a highly skilled professional operator employed for a recognised fee or salary as the servant of a public or semi-public corporation. Commerce would then lose much of its adventurous, gambling spirit, and would in time be transformed into a self-governing public service with a higher code of morality than is possible in a society where speculation and private adventure is still the established mode of carrying on the business of distributing the world's goods.

CHAPTER V

HUMAN CHARACTER AND THE SYSTEM

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THE foregoing examination of facts has emphasised those features of social-economic life which shock the conscience of men. That they exist is undeniable, and that they are lamentable is generally agreed. But the question is often asked, "Is not this the necessary and inevitable result of the faulty character of men themselves? What else can be expected when by laziness, by extravagance, by faults of temper, and by vicious indulgences of many kinds people bring want upon themselves, while others by selfish greed, by dishonesty, by cunning devices or by callous pressing of accidental advantages take all they can get? Would not these bring about much the same results under any system? Is not indeed the system just an embodiment, both for good and for evil, of these personal characteristics, incapable of being remedied apart from the perfecting of character?"

There is, of course, much truth in this, but it is too vague a generalisation to be helpful. No clear judgment can be reached by setting human failings in the mass over against social failures in general and assuming that all is accounted for. We need to have regard to the ordinary canons of science concerning cause and effect, and to make some use

INDUSTRY AND PROPERTY

of its methods of measurement, before we can be sure what is the relation between these things. Also, we need to be quite clear as to what we mean by "the system." This is a convenient term which has taken its place in current speech as standing for practically everything outside the immediate activity of individuals as such. The distinction is obviously very real and of the highest importance. But the word seems to imply a far more consciously devised organisation than actually exists on the one hand, and on the other to cover in its use certain factors which belong neither to individual activity nor to anything that can rightly be called a "system."

For all human industry has to be exercised in a world the nature of which is constant and can only produce results which are in accordance with that nature. There are certain economic conditions which have been ascertained as invariable and independent of any system of industry, and which apply to all places and to all times. This, doubtless, is what is meant by those who urge that there is no "Christian economics," merely economics as such. It would be exceedingly helpful if economists could set out these constant factors as distinct from those which only operate under certain conditions. The former are probably fewer than is commonly supposed, but they are of the highest importance, including such elementary principles as that the natural materials and powers, which man cannot create but only handle and shape, are absolutely necessary for production of all kinds; that labour power is evanescent unless maintained by adequate

CHARACTER AND SYSTEM

consumption of food and other things needful; that people who, whether for good or bad reasons, do not themselves share in production must be dependent upon the activities of those who do. None of these things, any more than the working of pure and applied mathematics, can be changed at the desire of the individual or by Acts of Parliament, Municipal By-laws, or resolutions of Trade Unions, Trusts or Chambers of Commerce.

Other laws, however valid within their own limits, are contingent upon human activities, which might have been different. They take the form: "If in such-and-such circumstances this action is taken, the result will be so-and-so." It is quite open to men to alter the conditions or to take another action. While land, labour and capital are indispensable for any advanced industry whatever, there are many different ways in which they have been owned and used and possibly others which have not yet been tried. We find the same variety of possibility in matters of currency and finance in general. Now it is quite certain that the social effects of these different ways of owning, using and administering the materials and means of industry are themselves different and have good or evil results in human life. But they are what we call "system." If they have not always been consciously devised beforehand, they have been interpreted, modified and confirmed by enactments and legal processes and are in a real sense the choice of the community as distinct from that of the individual. There is a very important meaning in the question whether unemployment, inadequate

INDUSTRY AND PROPERTY

income, the great disparity of wealth and poverty, and the other deplorable results that have been set out are due to individual failings or to faulty system.

It is also emphatically *a moral question*. This is evident both from effects on human life for good or evil, which implies *character*, and from the possibility of alteration by collective action, which implies *responsibility*.

But of course there is a great deal of evil result directly attributable to individual conduct which might have been different without any change in the system. Men may be standing idle in the market-place because there really is no work open to them or because they prefer to live on the exertions of their wives. A foreman may have to discharge men because the business cannot keep them going, or he may get rid of particular men through spite. Some people get more than they have a right to because they have taken it dishonestly, and others because the laws themselves are faulty. That is why it is necessary to distinguish between the wrongs that need for their righting a change of heart and those for which a change of method would be sufficient, if such could be found.

I. UNEMPLOYMENT

The *facts* concerning unemployment have been collected and analysed by competent investigators and are not disputed. But to what is it to be attributed? It is agreed that personal unfitness is one of the causes, but no social student would differ from Sir William Beveridge when he says :

CHARACTER AND SYSTEM

“The limitations on this admission, however, have to be carefully noted. First, the number of the entirely unemployable class, though uncertain, is certainly not very great. Second, the most practical way of improving human character lies often in abolishing industrial or social conditions which induce or pander to the vices of idleness, slovenliness and irresponsibility. Third, no conceivable improvement in the character of the workmen will eliminate the main factors of unemployment.”¹

It is often easy to point to some fault in an unemployed person which has a direct connection with the fact of that particular man being out of work rather than another who is either free from it or has it in less degree. It is possible to contend that on the whole those who are out of work are less fit for it than those who are employed, though this would undoubtedly lead to innumerable unfair judgments, if applied to individuals indiscriminately. But a great distinction must be made between the cause of unemployment itself and the selection of those who are to be unemployed. If at any given time employers can only use profitably a certain number of men, some of those thrown out might have kept their jobs had they been better qualified, but it would only have been at the expense of others who thereby became relatively but not actually worse.

We have only to study the tables and charts of unemployment to see that the fluctuations, both in particular trades and in industry generally, could not possibly be explained by corresponding changes

¹ *Unemployment*, chap. vii.

INDUSTRY AND PROPERTY

in character either among those who sought or those who offered employment. We have therefore to turn definitely to causes connected with industry itself.

Here also there is practical agreement about what are the immediate, if not the ultimate causes of unemployment. We have become familiar with discussions of cyclical fluctuations, the boom years during which confidence, credit and production expand together, to be followed by the "slump" years in which they also contract together, and of the "sensitiveness of the market" to events or threatenings in respect of political, international or labour troubles, anticipations of good or bad supply of food and raw materials, variations in foreign exchanges or in the quantity of currency. Apart from the great "waves" which with their crests and depressions sweep over the whole of the modern industrial world, we have learnt to recognise regional and sectional causes, such as the influence of the seasons upon many trades, the changes due to new industrial processes or organisations, the variability of demands of fashion and luxury, the effects of business failures and the irregularity of many specific occupations leading to casual employment.

It is when we come to the explanations of the deeper underlying causes that agreement fails. Some lay stress upon financial considerations, involving currency and credit and alleged failure of the monetary system to correspond with true values of goods or obligations between creditors and debtors. Others are more concerned with the

CHARACTER AND SYSTEM

misdirection of business energy resulting from competition and an ignorance on the part of the several directors of industry as to what is being done as a whole. Yet again, others find the root of the trouble in the absence of any regulated connection between investment for producing and expenditure for consuming goods.

It is not our part to give judgment upon questions which divide technical experts. It is necessary, however, to emphasise the fact that the real matters requiring solution are not points of economic theory which have no interest outside academic circles, and can therefore be left for leisurely solution by those who have ability and taste for these things. On the one hand, what is clamouring for effective remedy is the want, suffering and too often the degradation of large numbers of human beings, together with an unrest and anxiety which go far beyond those included in statistics of the actually unemployed. On the other, the causes of this evil are obviously not to be charged upon the nature of things or the will of God; they are admittedly somewhere within the range of human methods, which means that these methods bear the responsibility. If the practical solution depends upon determining which of the rival theories is true or whether they are complementary to each other, the best brains and the ripest experience ought to be charged with the task and given full facilities for carrying it out.

It is possible, however, that the way lies not so much through the unravelling of intricacies by specialists as by a reconsideration of the simpler

INDUSTRY AND PROPERTY

issues from a broadly human point of view. Certainly one or two aspects need emphasis.

1. The primary reason for work is to provide a home, food, clothing and other goods to meet the needs of the worker and his family. In certain simple conditions the working members of the family can, by applying their labour directly to the natural resources, build their own house, grow their own food, make their own clothes and shape other articles of use. There is no question of being "out of work"; only of not being able to produce enough by their work. But in developed societies this direct labour for the most part disappears. The elaborate division of labour and exchange of goods has brought with it an enormously increased possibility of satisfying human wants, but, with the exception of a small minority of cases, it does not permit of production for one's own consumption. The worker must have his place in the system. He can only produce when that condition is fulfilled, for he has no direct access to natural resources. He must exchange his labour for the means of purchasing what others produce. That is to say, this division of labour and exchange of goods rests upon the assumption of social co-operation. Where this fails the system breaks down.

In our present system the wage-earner, to find such a place, must be wanted by some other person or corporate body who can use his labour at a profit. The needs of the wage-earner have become secondary to the use somebody else can make of him. Yet he himself has no alternative, and it is this that makes his plight desperate when nobody

CHARACTER AND SYSTEM

wants him and puts him at a terrible disadvantage in making terms when he is wanted. Somehow the system must be made truly social and co-operative so as to give to every willing worker an assured place.

2. It cannot be too clearly pointed out that the periods of "over-production" coincide with those of the greatest want. "Over-production" does not mean that more has been produced than people *need*, but more than they can *buy*. Hence the same thing is sometimes called "under-consumption." The facts are that when all the factors of production—labour, capital and natural resources—are least used there is the greatest distress for lack of the very things they produce but cannot sell. Builders do not build although many thousands of families are without proper homes. Shoemakers are out of a job although multitudes are out of boots. Mill-hands in Lancashire and Yorkshire stop making cotton and woollen goods although the need of clothing would clear out the stocks and set the mills working if it were satisfied. Land goes out of cultivation though the workers on the land and the children in the towns need much more food than they get.

There is here no question of "the niggardliness of nature" or of "over-population." To speak of these would be intelligible if we had exhausted the labour, skill and knowledge of men, the natural resources and the intermediate means of production which we call "capital," and still had not enough to go round. That is far from being the real situation. The problem is that, in spite of our

INDUSTRY AND PROPERTY

enormous powers, something in our way of handling them prevents men from supplying each other's wants by the exchange of the skill and labour which each can bring to the common service.

It is, of course, complicated by foreign trade. A considerable part of our home production goes abroad in exchange for food and other things that different countries produce. This means that a failure in foreign demand for our goods throws those who make them out of work. This, however, is the same problem on a larger scale. In a world period of unemployment the people of all lands suffer for lack of goods which could easily be produced but cannot be sold because they cannot be bought. A further anomaly is that workers for the foreign market are frequently idle while the goods they can make are sorely needed by many thousands at home.

The ancient riddle of the Sphinx had to be solved on pain of death to those who failed. This is our modern form of it. Its solution may come more directly by asking how to meet human needs than by searching for the flaws in present indirect methods, though of course each may help the other. The Christian principle of co-operation for mutual service seems to be in agreement with the soundest economics. Mere competition to sell has certainly failed to meet life's needs.

3. It is said by many that there must be reserves of labour for modern industry in order to meet the times of expansion. This seems to require clearer statement from the point of view of the persons whose labour is to be reserved. It clearly

CHARACTER AND SYSTEM

shifts the responsibility for their unemployment when they are not wanted from themselves to the industry that can neither use them nor do without them. Such a reason for their being out of work excludes by its nature any argument about their personal unfitness. Also, if keeping them in reserve means keeping them actually unemployed, whose is the responsibility for their maintenance? A family needs as much house-room, food, clothing and other means for an adequate life when the breadwinner is doing nothing as when he is at work. In the past this responsibility has not been fully faced. The families were not adequately maintained, but suffered all the evils of deterioration in physique, in general effectiveness, in moral fibre and in social relation that we are learning to appreciate in their terrible significance. But besides the degradation of life, the injustice on the one hand, and the bitterness on the other, there was an economic reckoning to be paid. We do not really escape the cost by refusing to pay it in a straightforward manner. Society as a whole had to pay what was probably a heavier bill for damages than for keeping these families fit, but it was spread over so many personal aids, organised charities and expenditure through the poor law, health authorities and police that it escaped assessment.

The principle of "individual enterprise" has proved inadequate to this responsibility. To insist that each firm should carry a sufficient number of employees to meet all emergencies of expansion would be rejected at once as impracticable. There is no alternative therefore, to some form of collec-

INDUSTRY AND PROPERTY

tive provision. A beginning has been made by organisation on the part of the workers and in the present Unemployment Insurance, in which workers, firms and the general public make joint contributions. In spite of many gaps and inadequacies this may eventually be worked out into a satisfactory maintenance of the unemployed, though there are grave questions yet to be solved.

But the deeper question is whether maintenance in unemployment is in any real sense a satisfactory solution, from whatever source that maintenance may come. Is it good for anyone capable of service? Is it sound while there are still human needs to be met? Is it not, in fact, a somewhat drastic criticism of the form of industry that requires it? Such maintenance during the present incapacity of industry to absorb the unemployed is certainly urgent, but more urgent still is the removal of the need.

Let us suppose—and it is not an extravagant supposition—that every able worker is normally employed. Would that really interfere with the necessary flexibility of industry? There are surely other means of securing this besides keeping men in idleness. A greater diffusion of leisure during times of less pressure would allow for a margin of extra pressure in periods of stress. Better organisation would link up seasonal occupations and increase the mobility of labour from points of less to greater urgency. And if happily we did reach such a condition that the choice had to be made as to what occupations should have first claim upon the workers, it requires no great stretch of the

CHARACTER AND SYSTEM

imagination to see such choice operating quite healthily against some that could well be spared.

II. WAGES INADEQUATE FOR LIFE

In spite of a general raising of the standard of living, nothing has been more surely demonstrated in recent years than the existence of large numbers of the people "below the poverty line"; that is, with a total income insufficient to afford adequate living, even on the barest calculation. This is quite independent of the use made of the income. That in many cases a change of personal habit would make a much better use of what there is goes without saying, but the salient fact is that the income itself, though spent with absolute wisdom and perfect virtue, is not sufficient for the primary needs, on any reasonable estimate. Every lapse below that standard, every satisfaction of what would be not only legitimate but altogether desirable if the means were there, must be at the cost of these prime necessities.

It may, however, still be argued that the low wage is itself the result of personal unfitness of some kind, and a number of individual cases might be cited in support of the contention. But this can hardly be maintained in view of the fact that rates of wages are fixed for entire occupations and not from personal considerations. Nor can it seriously be held that all occupations are open to all alike so that workers naturally gravitate to those which give a return commensurate with their character and ability. The lower-paid trades are recruited in the

INDUSTRY AND PROPERTY

main from families that have grown up in the conditions created by low wages. The children have been handicapped in development from the start. It is a fact well known to all investigators that it is when the children are of school age that families are most likely to be below the poverty line and least able to take advantage of the education given. Even if in spite of this they could get some of the comparatively few scholarships available, the need for their supplementing the family budget at the earliest moment would preclude their taking them. Choice of occupation is made for them chiefly by circumstance, and once made everything conspires to keep them on that level. What they might have been can never be known until all are given an approximately fair start in life. Enough is known by those with first-hand personal knowledge to make them deplore the terrible waste of potential ability and repudiate the idea that personal worth can be graded according to rates of pay.

Another contention is that the work itself is not worth more than is paid for it and that industry could not bear a higher rate. The latter is the real point, because the attempt to value kinds of work, as distinct from degrees of quality in the same kind, has been frankly given up. Present methods merely fix the price, and the question is whether that should be settled by the number of workers on the one side and the number of jobs open to them on the other, or whether wages should have a definite relation to human needs.

It must be emphasised that we are not here speaking of what it would be desirable to give as

CHARACTER AND SYSTEM

wages, if it could be afforded, for increasing the amenities of life for the workers, but of the minimum needful for a healthy and decent life. We are on the bedrock of the moral position and are entitled to say that this is one of the essential ethical conditions which industry must fulfil. To put it in another way, we are not speaking of what it might be industrially desirable to pay if human beings could exist on nothing, but of the minimum share that should be paid to workers by employers as wages and by the public, if necessary, in price.

Neither is it a mere opposition of moral and economic demands. The two work together rather than against each other.

1. Income below primary needs entails both material and moral damage to the persons concerned, which in turn means a charge upon the public purse, as in the case of unemployment, through poor law, public health and other departments, hospitals, charities and unreckonable private aid. It is not only unfair but bad economically that employing firms should receive this indirect subsidy.

2. If the payment of effective wages really does necessitate a rise in the price of articles produced, it is better for the public to pay directly in this way than by rates and taxes and organised charities.

3. The obstacles which arise from competition through low wages on the part of other firms at home can be obviated, as experience shows, by Wages Boards, which in some trades have done much to remove the worst evils and have the support of the best employers. Similar competition from

INDUSTRY AND PROPERTY

abroad could readily be dealt with in appropriate ways if there were once a steady and considered policy adopted by the nation. Such action is no more an "interference with private enterprise" than any other action to secure the just fulfilment of moral obligations. International action is also beginning to be practicable, and will make home administration more effective.¹

4. As a matter of experience, it has been found that wages which fall below a reasonable subsistence level do not make for less costly production. On the contrary, the raising of such wages tends to improve both the quantity and quality of the output, so that the labour cost in each article is less proportionately than before. Many employers have followed this policy without waiting for regulations of general application, and have declared it to be "not philanthropy but sound business." In fact, some have carried the practice far beyond what the present argument requires, with good economic effect. This does not obviate the necessity of having a sound public policy for removing the evil; it does show that good employers need not always wait for the laggards to be constrained. A good understanding with the wage-earners, whereby they reciprocate, is also necessary.

III. THE DISTRIBUTION OF WEALTH

So far we have been dealing with inequalities in relation to poverty and the considerations which

¹ Cf. the International Labour Office in connection with the League of Nations.

CHARACTER AND SYSTEM

show that these are not, in the main, the outcome of personal characteristics. It is a less gracious task to show, conversely, that riches also accumulate in personal possession, not, in the main, according to virtue or ability, but from defects in social ordering.

The fact, however, must be decided as such and not according to prepossessions. There are first of all the broad statistics concerning the distribution of income and wealth given by such authorities as Sir J. C. Stamp, Prof. A. L. Bowley and Sir Leo Chiozza Money. Allowing for differences in the form of statement, they lead us to the same conclusions.

Sir J. C. Stamp found that 45 per cent. of the national income in 1914 went to $5\frac{1}{2}$ per cent. of the income-receivers, so that the other 55 per cent. was distributed among $94\frac{1}{2}$ per cent. of the receivers. More particularly analysed, $\frac{1}{10}$ per cent. of the people received 8 per cent. of the income; 1 per cent. received 22 per cent., and $4\frac{1}{2}$ per cent. received 15 per cent. "The money levels of the incomes may alter, but these proportions have remained approximately constant. What I may call the 'slope' of distribution has not materially altered, and, although all classes may have become better off, they have kept their relative positions and proportions with remarkable stability so far as we can test." In 1919, according to the same authority, half of the income was received by one-ninth or one-tenth of the people. This agrees closely with Sir Leo Chiozza Money's estimate in 1905.¹

¹ *Wealth and Taxable Capacity*, by Sir J. C. Stamp. *Riches and Poverty*, by Sir L. Chiozza Money.

INDUSTRY AND PROPERTY

Prof. Bowley, writing of 1911, says that 12,400 persons had incomes of over £5,000, aggregating £152,000,000. This gives an average of over £12,250. He also reckons that the national average gross income for a family of five was not more than £230 before the war.¹ It is clear that with such large incomes above the average line there must have been multitudes very considerably below. This, in fact, the investigations of Prof. Bowley himself, as well as those of Messrs. Charles Booth, Seebohm Rowntree and others, have shown actually to be the case.²

These enormous disparities of income are quite irreconcilable with any reasonable theory of relative excellence, productive capacity or worth to the nation. And the disparities of property are greater than those of income. Can it possibly be held that those who get eighty times the average income are

¹ *The Division of the Product of Industry*, by Prof. A. L. Bowley.

² These figures are, of course, given simply to show the fact and extent of disparity of income. Some members of the Commission desire to draw attention to the conclusions reached by Sir Josiah Stamp that there has actually been a great increase of wealth compared with the increase of population, and that "the evidence goes to show that this increase has been evenly shared by all classes of the population," and "that the ordinary person of to-day is four times as well off in real commodities as the person in the corresponding stage in the scale in the beginning of the nineteenth century." They also desire to state their judgment that the inequalities have been materially modified by direct taxation, and that in this Christian principles have to a large extent been accepted. The whole chapter ("The Distribution of Capital and Income") should be read with great care, as extracts, with the exception of undoubted facts, are apt to be misleading one way or the other.

CHARACTER AND SYSTEM

eighty times better in any way than the average? Or that those with £12,250 a year are each worth 180 farm workers at 25s. a week in any other than the money reckoning? Some other explanation of the facts must be sought.

This, of course, does not prove that men are not helped to good positions by their abilities, but it does show that the positions they secure receive their value from quite other causes. The man who strikes oil may have been very painstaking in his search and skilled in reading the signs of an oil-bearing region, but neither his labour nor his skill determines the richness of his find. Again, once the oil has been found and the claim staked out, the next man, even though he may have been quite as painstaking and skilful and only a little later in the field through no fault of his own, is shut out from any share. Sometimes the oil enriches a man who knew nothing about it, because it happened to be under his land.

The same thing is true of social-economic opportunities in general. These may certainly be *taken* by the ability and diligence of individuals, but they are *created* by the nature of collective or associated life in which the results of each man's work are expanded enormously. By the division of labour, the co-ordination of different activities and the general ordering of social life members of a community plan and carry out works which would always be beyond the power, perhaps beyond the imagination, of any individual or even of vast multitudes, if unorganised. It is this association and interplay of activities of every kind which is

INDUSTRY AND PROPERTY

characteristic of civilisation and gives rise to a common store of wealth, both in goods and services, over and above the sum of what the several contributors could possibly have claimed as their exclusive creation. Every generation starts with a rich collective inheritance from those that have gone before of knowledge, experience and tradition without which it could produce only a meagre and primitive result. All inventions are dependent upon what a whole host of seekers, past and contemporary, have achieved, and all successful organisation is the ordering of what is already there. We are members one of the other and interdependent even in the valuing of the things we do. For however brilliant an invention or however admirably planned an industrial enterprise, it will not give economic wealth unless there is in existence a great body of consumers whose cultivated needs create the market.

It is the distribution of these social values that constitutes the problem of the inequalities of wealth. In what we call the present system they are not spread evenly over the whole community, but flow as it were in streams which enrich the occupiers of certain positions of advantage. Some of these arise from the nature of things, others can be made by expert handling of circumstance. Custom and law have constituted these rights to receive wealth as property which can be inherited or bought and sold in much the same way as if they were the material results of industry. So long as these customs and laws are allowed no blame can be attached to those who benefit from them, but

CHARACTER AND SYSTEM

it is the justice of the customs and laws themselves that is being challenged to-day. For the moment, however, we are concerned only with the examination of the facts. One outstanding fact is that great wealth is associated with the possession of these rights rather than with the receipt of wages or salaries for work done. This comes about in several ways.

1. *The ownership of land*, i. e. natural resources, frequently brings a large share of socially created wealth. In some cases the value of land merely as a site has been enormously increased by the growth of towns, especially where business centres are concerned. In others, the discovery of minerals or the creation of an industrial demand for them or the invention of some process for their profitable working produces the same result. The owner is usually enriched, not by utilising the land himself, but by the rents received from those who do.

2. *The possession of large sums of money* gives great opportunity of increase of riches. As in the first instance money is simply a medium for the exchange of goods, it might seem to give no greater right of purchase from the general stock of goods than was obtained by the previous sale. This would be true if the second half of the exchange were always completed in the same market as the first. But, as economists point out, money has become "a store of value." Its possessor can afford to hold his hand, and while he does so there occur changes in its purchasing power. This is particularly true in connection with that class of property which consists of the right to receive rent,

INDUSTRY AND PROPERTY

interest or profits. By carefully watching these changes and buying and selling these rights judiciously, it is possible to become very wealthy without having added anything to the general wealth of the community; without having had any part, in fact, in industry itself. This is, of course, quite a different thing from the putting of money into an original business enterprise.

3. *Ordinary industrial profit* is the difference between the outgoing expenses and the returns of an enterprise. The amount of this difference is due to a number of causes working together, one of which, the management of the business, is so obvious and really plays so large a part, that where the owner of the business is also the manager, the whole of the profit appears to be the consequence of his personal ability, assuming that his dealings with his employees and business clients have been just.

Economists, however, have usually analysed this gross profit into the interest on money invested, the reward of management and profit properly so called. In the case of joint-stock companies, which have become so predominant in modern large-scale business, this separation is seen in actual working. The management is carried on by officers of the company with salaries according to estimated ability, and a considerable portion of the capital receives a fixed interest. The remainder of the profit goes as reserves or as dividends to the owners, *i. e.* the shareholders. In either case it becomes their property, and any surplus over the current rate of interest is profit pure and simple.

The source of this profit is obviously social. It

CHARACTER AND SYSTEM

goes to the owners of the business because it remains in their hands after all obligations have been met, and according to existing laws and customs no one else has a right to it. This is usually justified on the grounds that if there are sometimes great gains there are also frequently losses, and in a large number of cases the amount received is approximate to the interest only. The owners take the risk and are justified in taking also the gains. It is in this way that accumulation is made possible from which the investment of capital for increased production can be made; since a general diffusion of this social profit would result in such a low level of income that only inconsiderable savings from consumption would be made. It is the possibility of these gains which supplies the only motive strong enough to induce such investment.

This may be of considerable force as an analysis of things as they are, but does not meet the question whether the price paid is not so severe as to demand some fundamental change in the conditions. It is at best an argument from expediency rather than from right, and even on the ground of expediency appears to attach too little importance to the evils which are associated with present methods.

1. The risk which is supposed to be compensated by possibilities of great gain is itself very largely the creation of the same conditions which make the gain possible, and from the public point of view the losses entailed must be set off against what appears to be an increase of general wealth by "successful enterprise." The weekly list of bankruptcies, while swollen by instances due to personal extravagance,

incompetence and similar causes, contains a distressing number of cases where industrious and reasonably competent men have gone down before those who hold the stronger positions. As a matter of fact, the great gains are acquired in those businesses from which risk has been largely eliminated by the acquisition of partial or complete monopoly, whether natural or created by the agreement of powerful interests. "Competition" is no longer the fetish of the business world. In large-scale business those who have acquired advantages in production and occupied the most effective positions for disposing of their goods are usually strongly entrenched against it and are able to eliminate a great deal of waste, so that profits are enlarged without necessarily raising prices. In fact, while trusts and combines have the power to squeeze the public, and sometimes do, they can frequently serve it better. Their organisation, apart from the diversion of socially created profits into the hands of a minority, seems to point the way to a more effective system for meeting social needs, when consistently directed to this end.

2. The accumulation of wealth in the hands of a few does not seem to be the only possible way of setting aside the necessary amount of capital for further production. This amount remains the same, whether made up by contributions of single pounds or by sums that run into hundreds of thousands. The real problem seems to be one of management rather than of ownership. Certainly the present method has the very serious drawback of associating with accumulation of wealth for

CHARACTER AND SYSTEM

investment the parallel accumulation of wealth for spending, in the hands of a comparatively few. Clearly this spending wealth must be taken either from the amount which might be invested or from what might be spent by others whose needs are now unsatisfied. The more strongly the argument is pressed that a general distribution of wealth would mean an income for everyone so low that no one could afford to save much, the more apparent it becomes that with the present glaring disparities the lack of spending power in the lower levels must be terribly acute. It is this coexistence of luxurious spending with chronic want that is a prolific cause of bitterness and a rankling sense of injustice which must lead to social insecurity, unless some very convincing moral justification is given. It is intensified by the vivid descriptions of luxurious expenditure in the press and by the advertisements which appeal to the wealthy. It must be remembered that to-day the cheaper press is read by the multitudes, who have been educated to read. This was not formerly the case.

3. This predominance of purchasing power on the part of the wealthy determines the flow of production to articles of luxury, while elementary needs, such as food, housing, clothing, etc., remain unsatisfied. This is in itself a considerable factor in causing unemployment, since the demand for luxuries is more inconstant than that for necessities.

4. It also means that the purchasing power of the many is so restricted that there is an unnaturally limited demand for the necessities, leading to those times when great want is accompanied by so-called

over-production. This is a very real cause of the recurring times of bad trade, and points to what is actually restricting production. It suggests that a juster distribution of what is produced would have the effect of greatly increasing the amount of wealth to be distributed.

The question of motive is more complex. It is a strong assertion that the expectation of great gain is the only effective means of inducing saving for capital. The moderate saving of multitudes for a moderate return might be quite as effective as large savings on the part of a few for the gains that put them into a class apart. But the whole question of motive needs examination. It is by no means to be taken for granted to-day that the finer motives of men have no effective place in the work of providing the means of life for themselves and their neighbours, and that no better social arrangements could give them more effective place.

CHAPTER VI
THE CONSUMER'S RESPONSIBILITY

CHAPTER VI

THE CONSUMER'S RESPONSIBILITY

CRITICISM is commonly directed to the activities of men as owners of land or capital, as directors of industry, commerce or finance, or as workers for a wage or salary. People do actually fall into separate groups in these respects, their interests are often conflicting and the connection between what they do and the things that are felt to be wrong stands out clearly in the public mind. It must not be forgotten, however, that in whichever of these classes we may find ourselves or in none, we are all consumers and as such are responsible for whatever happens in the world of industry in consequence of the demands which we make through our purchasing power. The classical economists recognised the importance of this when they divided their science under the three heads of production, distribution and consumption, but in fact they gave most of their attention to the first two.

This was probably due to the difficulty they felt in going behind the decision of the consumer himself as to what was good for him and the general acceptance of the doctrine that if each one sought his own good the result would be the best for the community at large. In both respects, through the

INDUSTRY AND PROPERTY

teaching of its Lord, Christianity has a positive contribution to make. In the first place, Jesus puts forward an objective standard of what the use of material goods ought to achieve, apart from the likes, dislikes and possibly mistaken views of the person who uses them. Their purpose is to minister to the life of men. This does not involve us in difficult discussions as to the metaphysical nature of life, but simply asks for common-sense judgments as to the effects upon health, intelligence, beauty and the quality of human relations. In the second place, He lays it down that concentration upon self-centred interests is disastrous both for the self-seeker and for others. Whether recognised as Christian or not, these two principles are increasingly influencing general conviction.

It has also become clear, in the progress of economic thought, that the reactions of consumption upon production itself are important in many ways. While from one point of view the using of goods is the end of all the productive stages which have made it possible, from another the demand for goods for use is the initial cause and the sustaining power of their production. It is true that to a certain extent customers find their choice limited to goods which are already made and offered for sale, and that the art of the advertiser and the salesman has been highly developed in the direction of persuading people that they want what these others desire to sell. It is also true that pressure of circumstances frequently compels the purchaser to take what is available rather than what is really desired. But in the main the interest of

THE CONSUMER'S RESPONSIBILITY

the producer is to find out what people ask for and to give it to them. No business can continue that fails seriously in this, and success is secured by the degree in which those wants are correctly interpreted. If there are enough people to keep up the demand for things that injure life instead of helping it, the supply of those things will be maintained. If the numbers decline, so will the profit and power of the industry. That in itself constitutes the responsibility which lies upon all men and women of goodwill, and therefore especially upon Christians, to observe the effects of their own consumption and their use of the purchasing power in their hands both upon their own life and that of others directly and indirectly concerned.

THE HURTFUL REACTIONS OF CONSUMPTION

The injurious effects of thoughtless, unwise or vicious demands may be briefly indicated.

1. *Injury to the consumer.*—That a great deal of expenditure results in actual damage to the life of the spenders is undoubted, whether this is due to the nature of the things demanded or to a foolish and vicious use of them. Noxious drugs, pornographic books and pictures and lustful indulgences would be generally acknowledged as harmful in themselves. No one denies the results of alcoholic excess in disease, certain forms of crime, moral and mental wreckage and loss of effectiveness generally. Very much the same may be said of betting and gambling; it is not questioned that the spending of resources in this way is associated with

INDUSTRY AND PROPERTY

grave evils to character and home life, leading in many cases to crime. And, in general, excess turns what is innocent and even necessary in appropriate measure to evil. Gluttony can transform food itself into a poison, and recreations, if extravagantly pursued, instead of recreating, sap the strength both of body and character.

2. *The burden on others.*—From the Christian point of view, that regards the life of each as either fulfilling or thwarting God's purpose, the damage to one's self is not merely a selfish concern. But it cannot be confined to the consumer. We are so bound by social ties that the burden of a weakened, impoverished and degraded life falls upon others—upon the family, the city and the nation. Economically it has to be paid for in rates and taxes and loss of producing power; spiritually it is borne in sweat and anguish of the soul.

3. *The waste of resources.*—It is clear that for the production of the hurtful things, the excess of things misused and the remedying of the damage done by this foolish and vicious consumption, an enormous amount of material and of human labour and skill is diverted from the positive service of human life. The fields that grow the opium poppies in excess of medical needs might grow beneficial crops; the buildings, apparatus, means of transport and organisations that supply the excess of alcohol might yield it for profitable use in industry or be put to other purposes. Worst of all is the human power which is in this way poured out to ignoble ends. To share in creative industry may well be joyous, but to be constrained to work for

THE CONSUMER'S RESPONSIBILITY

hurtful purposes is hardly conducive to "the nobility of labour."

4. *Demands that injure producers.*—Many goods or services which the consumer can use with benefit to himself are enjoyed at the cost of some harm to those who make the goods or give the service. We are thankful for much that has been done; we no longer use up the tender years of childhood in factories, mines, brick-fields and chimneys; machinery is required to be fenced, "phossy-jaw" and some other distressing ailments of industry have been eliminated, and greater leisure has been won for the overworked in shops and factories. But there are still grave questions concerning the misuse of the years of adolescence for the production of goods rather than the making of men and women, occupational diseases are far too many and too rife, the toll of life and limb in our coal-mines, railways and other services is appallingly heavy, and many of us are tempted to repress an inconvenient curiosity about the conditions of those by whose labour we have our comforts and amenities.

INDIVIDUAL AND SOCIAL RESPONSIBILITY

Obviously, the demands for these goods and services that in some way injure human life instead of enriching it come in the first instance from individuals; if they were to cease, so would the supply. In the case of things that injure the consumer himself this seems to be in the main the right line of approach, though the community has its own responsibility even here, since, as has been

INDUSTRY AND PROPERTY

said, the injury cannot be confined to the consumer alone. Just where the corporate action of society should intervene is rather a matter for Christian politics than for the present discussion. In the case of injury to the producer—using the term to cover all services up to delivery of the goods—the refusal of individuals to buy has proved in practice to be remote and of little effect, as in the case of the “white lists” which were tried in earlier years. It is possible to keep one’s conscience a little easier, but not much else. And every individual has also a responsibility for acting corporately with his fellows as well as for what he does by himself. A great part of this responsibility is to find out resolutely under what conditions the goods and services we consume actually become ours for the purchase. Historically, such knowledge widely spread has been a powerful stimulus to effective action.

LUXURY

The question of luxury, which has always proved so baffling in discussion, finds its practical solution in these same principles of Christ. The confusion has arisen through the many different meanings attached to the word. It is not possible to say whether “luxury” is right or wrong if we think only of costliness or of pleasantness or of beauty. The important thing is not the definition of a word, but the determination of what use of things is good and what is hurtful. The test of life, for ourselves and for others, offers us the answer.

THE CONSUMER'S RESPONSIBILITY

Jesus pointed out that it is not from the abundance of things that life gets its fullness. Experience confirms this. Beginning at the starvation limit, successive increases of food bring corresponding increases of strength and health up to a certain point. But afterwards, so far from further increases bringing greater strength, they bring a diminution of life's power and, if pushed too far, disease and ultimately death. Less obviously but no less truly, this applies to all the "means of life." Life comes from due measure in the use of things, not from mere abundance. A measure of comfort will conserve and liberate our powers, too much results in their atrophy. The pursuit of pleasure defeats its own end by boredom. Over-refinement is loss of robustness; excess of decoration is not beauty but vulgar ostentation.

Side by side with the futility—and worse—of excessive expenditure for ourselves there is a graver connection with the lack of others. Sometimes this is clearly causal, but in any case there is always the contrast of these two conditions, both hostile to the best life and giving rise to social reactions that are far-reaching in character. There has arisen a stratification of society with a false scale of social values according to style of living, which is very different from the natural grouping according to occupations, tastes and other healthy varieties of relation. From it flow envies, misunderstanding, strife, scorn and snobbishness.

Sumptuary laws have been of little avail, but much might be done by a practical embodiment of the Christian spirit of renunciation, a convincing

demonstration that we can be poor in the power of the spirit without being forced to be poor by circumstance. A voluntary acceptance of poverty, at least while others suffer through lack, like that of Francis of Assisi, though not necessarily in the form he gave to it, would not only liberate the means of meeting this lack, but the goodwill on either side to set wrong right. Some have indeed chosen this part, but how many to the point of sacrifice?

Two common fallacies may be noted in this connection. The first is that expenditure on luxuries is not only justifiable but praiseworthy, because it "provides men with work." By this, of course, is meant the income that is associated with the work. Economists have often exposed this fallacy, but it exists to an amazing extent. It is based on the false contrast of employing men or leaving them unemployed, which is not the real alternative. Demand of some kind, of course, is necessary to bring about employment, but the purchasing power which is exhausted on superfluities or services which result neither in life nor in a greater store of what can minister to life might be much better used in meeting life's real needs, especially those of other people who lack. To spend thousands of pounds on hothouses for one's own pleasure may employ a certain number of workmen in their construction and another set of men for their upkeep, but the same amount spent upon the construction and upkeep of play spaces for growing boys and girls in crowded quarters would give just as much employment and leave a far greater contribution to human life behind it.

THE CONSUMER'S RESPONSIBILITY

As a matter of fact, it is found that employment for "luxuries" is far more unstable and liable to disturb the labour market than employment for the continuing needs of human life.

The second fallacy is that if all that is spent on "luxuries" were distributed among those whose income falls short of their needs, the amount would be so small per head as to be insignificant, and therefore not worth troubling about. As this is largely based upon the fact established by Prof. A. G. Bowley, that an equal distribution of the present national income "would have little more than sufficed to bring the wages of adult men and women up to a minimum of 35s. 3d. weekly for a man and 20s. for a woman, which Mr. Rowntree . . . estimates as reasonable,"¹ it is well to draw attention to Prof. Bowley's own conclusion, that "when it is realised that the whole income of the nation was only sufficient for reasonable needs if equally divided, luxurious expenditure is seen to be more unjustifiable than has commonly been supposed, and the problems of obtaining a distribution that is more reasonable and of reducing poverty appear more difficult, though none the less urgent."² He finds the solution, as we must all find it, in a greater production through a better use both of capital and labour power (including skill in management) and a better application of the results by means of better education, improved physique, more leisure and better environment, with full opportunity for the use of all intelligence, strength and

¹ A. L. Bowley, *The Division of the Product of Industry*, p. 49.

² *Ibid.*, p. 50.

INDUSTRY AND PROPERTY

skill. This can only be achieved through a better application of our resources, both individual and national, to the purposes of life : which again brings us to the ethics and economics of consumption.

When we remember that not only "luxurious" (in the sense of superfluous or enfeebling) expenditure but the conditions of modern poverty themselves are very costly, we begin to get a vision of a use of even our present total income which would bring about a fuller life for all.

We feel that there is a strong challenge to all sincere Christians to work out a better standard of life which would not only in theory but in practice make better but less costly living more possible. There are already many modest homes of leaders in art, literature, science, the professions and the churches which go far to prove that the best culture and social intercourse are not nearly so expensive as is generally supposed, but well within the reach of a society that would in comparison with existing conditions be reckoned as poor.

From the same economic analysis which Prof. Bowley has given, it follows that such a readjustment of our expenditure would liberate fresh springs of productive power, and if, as he truly says, such readjustment will need time, skill and patience, with great risk of failure if we "attempt to grasp the fruits of progress before the tree that might produce them has been cultivated," that is all the more reason for setting about that cultivation at the earliest possible moment with an adequate purpose and resolve to apply to it all our powers.

CHAPTER VII
MOTIVES IN INDUSTRY

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MOTIVES IN INDUSTRY

No satisfactory analysis of the motives in industry seems as yet to have been made; most of the text-books dismiss the subject in comparatively few words. On the other hand, the critics of the existing order very commonly simplify too much. So in ordinary discussion we have the motive of gain opposed to the motive of service as if these were the only powerful motives to be considered. Yet there are, in fact, a number of others. The following analysis is not presented as being exhaustive nor as a model of scientific classification, but it will serve as a basis for discussion.

1. Desire to supply the needs of one's self and family, with the corresponding fear of failure.
2. The acquisitive instinct: desire for increased income.
3. Love of power over others, including the spirit of emulation.
4. Regard for public opinion, ranging from the family to the public at large. The desire for social status may be included.
5. Self-realisation: embodiment of creative powers: the adventurous and enterprising spirit.

INDUSTRY AND PROPERTY

6. Sense of justice, including perhaps the desire for independence.
7. Desire to serve others : the parental instinct and its extensions. Also the co-operative instinct.
8. Habit and inertia.

FULLER ANALYSIS

1. *The desire to meet the daily needs*, with the corresponding fear of failure, is probably the strongest and most dependable of motives which actuate the majority of men. It is due to this that the greater part of the work of the world gets done. Normally, the positive desire is stronger than the corresponding fear, but it is perhaps impossible to dissociate the two. Employers frequently assert that more work is done when trade is slack and jobs are uncertain than when trade is brisk and men are in demand. On the other hand, excessive and prolonged fear demoralises men and makes them unwilling or unable to work well. Precariousness of employment is certainly one of the great causes of restriction of output. There can be no doubt that there are thousands of men and women who could do much better work if they were free from acute anxiety.

2. *The acquisitive instinct* is associated with many of the other motives which have been tabulated, but is in itself distinct, as is seen in the extreme case of misers. Probably by far the greater number of men and women are strongly moved by it, but it operates very unevenly in different persons, different

MOTIVES IN INDUSTRY

classes and different forms of society, perhaps also at different ages. It is common knowledge that many workers who have enough to maintain their accustomed standard of life do not respond at all readily to a stimulus to increased production. This is one of the recognised difficulties in the development of tropical countries by native labour. In our modern society the multiplication of forms of wealth and the methods and scale of our industrial system give almost indefinite scope to this motive. Accumulation becomes a habit and part of a philosophy of life. Rich men take steps to get richer, often without any consideration of possible uses for the increase of their wealth.

3. *Love of power over others* is another of the great driving forces for very many men, and probably plays a large part in the continued seeking for wealth beyond possible use which has just been noted. It is not confined to the acquisition of money, though this is the readiest means of exercising it. Men love to take commanding positions in their particular line, so that their views and judgments receive deference. In this respect emulation may be associated with love of power, since it seems to be compounded of self-assertiveness and pugnacity. Domination is a motive in many sports, and emulation—the desire for pre-eminence—gives the exhilaration of a game to many business careers.

Abuse of power—perhaps especially by those in petty authority—causes a great deal of friction and resentment in industrial life. Apart from particular cases, there is a growing feeling among large

INDUSTRY AND PROPERTY

sections of workers against the regulation of their lives by an authority quite external to themselves and without any sanction that appeals to their moral judgment. The demand for democracy in industry may be exaggerated by some, but there is undoubtedly a widespread uneasiness amongst the workers and a new feeling of their right to share in power.

4. *Public opinion*—the prevailing view of those groups to which a man is sensitive—is in the main a levelling force. Regard for it is largely of the nature of what is to-day called the “herd instinct.” It deters employers from offering wages or conditions much better or much worse than those offered by other employers in their trade or district. It tends strongly to level up, or more commonly to level down, effort and initiative in the workshop. On the other hand, the public opinion of one’s family or set will often prove a strong incentive to achieve something that is commonly expected by those who form a high opinion of one’s abilities. Public opinion is also a powerful factor in the desire for higher social status, though the love of pre-eminence and power also has much to do with this.

5. *Self-realisation*, the desire to create something expressive of self, is usually strong where its action is not blocked by conditions of employment. Where it can find even slight scope it is responsible for a great deal of work, and especially for quality of work, which none of the other motives will secure without it. It asserts itself amazingly in thousands even of routine workers, if the smallest opportunity

MOTIVES IN INDUSTRY

of initiative be given. In men whose positions allow, it is often the dominant motive, and it is the force by which initiators in industry are most frequently driven.

Where, however, it is blocked, much mischief of one sort or another is apt to result. To its repression and frustration must be attributed a good deal of slackness, discontent and even bitterness. Not a few perversions, such as drug-taking, excessive drinking and gambling, find in this one of their causes. Certainly for want of opportunity for expression this powerful motive is wasted or misused in the case of most of the workers at present.

Closely akin is the adventurous spirit, into which both curiosity and pugnacity enter. Many inventions, many new methods and a great deal of the opening up of new countries and new regions of activity have come from men who find a joy in taking risks. Where it is repressed it is apt to break out in troublesome disorder and anti-social tendencies.

6. *The sense of justice* is witnessed to by the persistent belief that there is such a thing as a "fair wage," a "just price" or a "reasonable profit,"¹ however difficult of determination these things may be and however far men in their own practice fall short. Probably the strong desire for "independence," though mixed in motive, owes a good deal to the feeling that one should give at least an equivalent for what is received. (This is not the same thing as the desire to be "independent of the necessity for working.")

¹ See *Social Economics*, by J. H. Jones.

INDUSTRY AND PROPERTY

The sense of injustice in industrial dealings is one of the strongest causes of friction. The workers feel that their wages and conditions are not what they "ought to be" and that others are getting rich at their expense. The employers feel that they are not receiving a fair return in work for the wages paid, and they resent it. Human relations are poisoned and embittered and efficiency is hampered.

This sense of justice is probably normal to all unsophisticated persons, but needs for its persistence and effectiveness to be linked to a strong sense of personal duty on the one hand, and to be given suitable social arrangements for its practical expression on the other. As commerce and industry are organised to-day the machinery is not adequate, neither is there an effective standard to secure that the wage or profit is fair, that the price is just and that no party to a bargain is a loser. The contention of the older economists that this would be automatically secured by free competition would be accepted by few to-day, in face of actual experience. Such machinery as we have, *e. g.* Trade Boards, is only intended to prevent glaring abuses, not to secure justice in the majority of transactions. But in the absence of means to decide what is just, the desire to be just atrophies.

7. *The motive of service* is commonly said to operate only feebly in modern industry. It is true that the elaborate subdivision of processes, the standardisation of methods and of products, the vastness and remoteness of markets, involving the personal separation of the worker from those

MOTIVES IN INDUSTRY

benefited by his work, have done much to dry up the springs of service.

The motive is, however, probably a good deal stronger than is generally admitted. In shopping, house-hunting, staying at a hotel, employing decorators in the home or in the transaction of any kind of business where there is direct contact between the person giving the service and the person benefiting, the presence or absence of the motive makes an enormous difference in well-being. The natural kindness will often assert itself over unfavourable conditions and is a social asset of inestimable value. The efforts of some large employers to help the workers to understand the whole process in which they take a small part and to see the ultimate purpose for the consumer may be the beginnings of a recovery of the sense of service in the occupations that are remote from personal contact.

The parental instinct of service of one's own young finds its extension in the general impulse to protect and care for the weak, where this has not been obscured by conditions which intensify the egoistic motives. It is much more naturally prevalent, especially among the poor, than is usually admitted. Closely allied is the practice of mutual aid, which appears to be instinctive in men as in other living species, as shown by Kropotkin.¹

8. *Habit and inertia* are not properly speaking motives, but they are powerful forces influencing social conduct. With them may be classed the imitation that arises from suggestion made by the conduct observed in other members of the same

¹ *Mutual Aid*, by P. Kropotkin.

INDUSTRY AND PROPERTY

society. They have to be reckoned with in any social changes that are made, since practices suitable to one condition may persist after conditions have been changed in other respects, and become not only unsuitable but causes of failure to achieve the result intended.

THE CHRISTIAN POINT OF VIEW

The desire to supply one's needs and those of one's family is both natural and right, provided that we have a clear idea of what the needs really are and of the distinction drawn by Ruskin between wealth and illth. "Your heavenly Father knoweth that ye have need of all these things." At the same time, their purpose for life must be borne in mind, and we should be unwilling to get good things at the expense of others. The apostolic injunctions, "If any will not work, neither shall he eat," and "If any provideth not for his own, and specially his own household, he hath denied the faith," show how this matter was regarded in the early days of the Church, and that it is not inconsistent with Christianity that the fear of want should be the ultimate coercion to work. But it should be very much in the background, and a Christian society would see that the full opportunity to work for these needs is given.

Acquisitiveness applied to material riches certainly comes under our Lord's repeated warnings against the perils of riches and the folly as well as sin of covetousness. The instinct may be "sublimated" by turning it towards the increase of "life that is life indeed," and by reckoning another's good as our own.

MOTIVES IN INDUSTRY

Much the same thing may be said of the desire for power over others. The New Testament is full of warnings as to its exercise in the sense of "lording it over them." There is, however, a legitimate power to sway and influence other lives through service and through the administration which is in the spirit of service. Christianity recognises the need for leaders; it will not endure tyrants.

Regard for the opinion of others may easily become a weakness and a peril. It is the part of Christians rather to change and shape public opinion than to be shaped by it. Yet here also much depends on *whose* opinion is regarded. The more public opinion is leavened by the teaching and judgments of Christ the more powerfully will it help those who are weak in initiative.

The desire to create something and to express one's self is part of the raw material of life, that can be turned to good or to bad account. Our Lord came that we "might have life, and have it more abundantly." Christians should work for a social structure that gives opportunity for the development of the best in man and certainly does not tend to repress it. Our Lord also is full of praise for the adventurous and enterprising spirit, and of rebuke for those who will not take risks for higher things. But, again, all depends on the purpose for which the risk is taken.

The sense of justice is expressed in the admonition, "Thou shalt love thy neighbour as thyself," and in the Golden Rule. Just dealing ought to be fostered and encouraged in any society that claims to be Christian. But the Christian sense of justice

INDUSTRY AND PROPERTY

moves in the positive direction of just giving rather than just penalising, and it leaves room for giving more if need requires. This is seen in the Parable of the Labourers.

The desire to serve others would be the dominant motive in a fully Christian society, though by no means the only one. It would work with and through the others that have been examined. It would be socially dominant because flowing naturally from the personal service of God and the "seeking His Kingdom," which our Lord gives us as the foremost object of prayer and the central purpose of activity. It goes with the extension of the family into the social relation which is the constant theme of our Lord's teaching, and the cooperation which naturally results, as conceived in S. Paul's great figure of the body and its members.

CONCLUSION

We have to test the present relations of men with one another in industry and commerce by the great conception, central to our religion, of a community united by a common spirit and with its energies devoted to a common end, a society making provision for the expression of both personality and solidarity. Judged by this test, our present organisation fails wofully, and no doubt in the light of this ideal any organisation that we are likely to achieve will appear defective. But it seems clear that we have quite unnecessarily failed to use the real motives of men to their present possible extent; that we have even deliberately favoured the least worthy

MOTIVES IN INDUSTRY

and those most readily turned to evil. While no organisation can work with good result that is not energised by the right spirit, neither can the spirit that is already in men achieve anything unless provided with the appropriate organism. And it is by the light of the ideal that we not only judge the present but shape the future. No organisation nor any social arrangement remains justifiable while something better can be put in its place; it is the duty of our generation to seek and to experiment till we find a more brotherly and truly co-operative way of carrying on industry and commerce.

CHAPTER VIII

THE CHRISTIAN CONCEPTION OF PROPERTY

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I. THE MEANING OF PROPERTY AS A RIGHT¹

I. While there may be differences of opinion about the Christian doctrine of the origin or right of property, there are certain very emphatic principles about its use. The references to property in the New Testament bring out two important conceptions.

The first is enforced with great simplicity but with great emphasis: the owner is required to use it not only for his individual satisfaction but for the good of others. Our Lord has put this into the simplest but most far-reaching terms in the Parable of the Rich Man and Lazarus, and His teaching is reflected in the words of the First Epistle of S. John, "Whoso hath the world's goods, and beholdeth his brother in need, and shutteth up his compassion from him, how doth the love of God abide in him?"

The second is the danger of riches to the possessor. "How hardly shall they that have riches enter into the kingdom of God." This is reflected in the First Epistle to Timothy: "The love of money is a root of all kinds of evil."

¹ The section on "The Meaning of Property as a Right" was contributed by a special committee in Oxford.

INDUSTRY AND PROPERTY¹

It seems reasonable to say that in the teaching of our Lord and the writers of the New Testament the existence of private property is recognised as a fact; it is neither praised nor blamed. What they are concerned with is, on the one hand, the perils which are incidental to its existence, and on the other the unhesitating repudiation of an absolute or unrestricted right of any man to use it at his pleasure.¹

2. In order to give due significance to these principles we must approach the question of property under more general terms.

It may be contended that some property relation between the individual and things is a normally necessary condition of human personality. So far as this is true it must be the function of society to protect it. However this may be, the idea of private property, whether individual or corporate, to-day implies the existence of law, for by private property we mean that in which individual or corporate rights are sanctioned and protected by law.

It must therefore be carefully observed that the rights of property, as they are protected, are also limited by law. There is no such thing as an unlimited legal right either of ownership or of use. The community always retains its right to such part of a man's private property as may be required for the public needs—that is the rationale of taxation. Also, the community restricts or prohibits

¹ The words of our Lord in the Parable of the Labourer (Matt. xx, 1 ff.) belong to its dramatic setting. (See also "Introduction.")

CHRISTIAN CONCEPTION OF PROPERTY

such use of property as it judges to be inconsistent with the well-being of the community. This does not mean that the action of the community in regard to property either is or ought to be arbitrary. The question of the authority of the community is dealt with in another Report; we need only say that the authority of the community is limited by the principles of the moral order of life. But just so far as this moral order requires for its perfection the expression of individuality in some property relative to things, the State exists to protect and further this.

3. In order, however, to discuss this subject further we must consider briefly the question of the origin of private property. It cannot be disputed that the development of this belongs to a certain stage in the history of civilisation. The primitive world was a world of groups rather than of individuals. Indeed, the clear recognition of what we mean by individual personality belongs only to the more developed civilisation, and so with the individual right of property. This does not mean that there were no individuals in primitive society or that there was then no individual property, but it does mean that, compared with the later conditions, the extent of individual property was insignificant. The history of the origin of individual private property is the history of the gradual disentanglement of individual rights from group rights. It is also clear that the rationale of this process has been in the main the real or supposed economic convenience not only of the individual but also of the group. Individual private

INDUSTRY AND PROPERTY

property has arisen out of the real or supposed convenience of society, its legal rights depend upon that convenience and will be limited by that convenience, and also by its relation to the moral order of society.

As a legal institution, therefore, primarily of utility or convenience, private property is not the direct concern of religion and morality, but it becomes so mainly through its relation to the function of the State in setting forward the moral order of life. So far as its convenience or utility is concerned, the questions are economic in nature, but it is an altogether different matter when the legal rights of property are found to involve a moral relation of the owner to others. The question of the right to the use of property has therefore two forms. The first is concerned with the use of things as such, the other with the power which the control of accumulated property gives not only over things, but over human life, directly or indirectly. This power is by far the more important. It has always been so in measure, but the development of the last few centuries has enormously increased its significance. For the concentration of great capitals in the hands of individuals or groups has placed in the hands of these owners an immense power over the lives and fortunes of others. It is here that religion is most gravely concerned, for this exercise of power by men over men belongs clearly to the moral order of life. It is plainly impossible that religion can be indifferent to its nature, methods and results, or that the moral conscience can be satisfied with only a partial control. It is necessary,

CHRISTIAN CONCEPTION OF PROPERTY

therefore, to examine these aspects of property more closely.

II. DIFFERENCES IN THE NATURE OF PROPERTY

Economists have always drawn a clear distinction between three classes of things, called by them Land, Capital and Consumption Goods respectively. "Land" includes all the natural material and forces which man did not create, but can only shape and adjust. Without these there could be no production at all. "Capital" includes all those things which man has shaped by his labour out of the natural resources, not for the direct satisfaction of his needs, but as means for producing the things he wishes to consume. These last are, of course, what are called "Consumption Goods."

In practice several causes unite to blur these distinctions. In a farm, for instance, it is difficult to draw a clear line between what Nature has supplied and what man has wrought, so "Land" and "Capital" become confused. There are also many goods which may either be consumed directly or used for the production of other goods; vehicles of all kinds fall into one class when used for pleasure and into the other when serving as part of the machinery of a business. But perhaps the greatest levelling influence has been the developed use of money in all its forms, since all things are convertible into money, and money will buy land, capital or consumption goods alike. In fact, many people have come to regard the possession of unspent money as the same thing as the possession of so much

INDUSTRY AND PROPERTY

capital, and have confused capital with wealth in general.

These distinctions are, however, far from being merely theoretical and academic. They have not only great practical significance but, what is more immediately to our purpose, they are of high importance as regards the moral questions involved. It has been said above that these moral questions are in the main two, the one relating to the right use of things and the other to the right relations with other men, which ownership implies. The latter, however, is really twofold. For besides the effect upon other men of the manner in which the property is used, there is the prior question, since ownership is by definition exclusive, why this man is possessor rather than another.

Without laying down the law as to any precise system which should be adopted, we are profoundly assured that the widespread evils which shock the conscience to-day, as in varying degree they have always shocked the conscience of right-thinking and feeling people, are due to wrong practices in one or other of these respects. It is by pressing these three questions in relation to the several kinds of property that we shall reach not only a negative criticism to show what is wrong, but the positive indication of the lines upon which a just order of society must be reached. This is, in fact, that "seeking the reign of God" which was enjoined by our Lord, so far as this important part of human life and conduct is concerned.

I. *Consumption Goods*.—The things that men use directly for their needs or satisfaction—food,

CHRISTIAN CONCEPTION OF PROPERTY

clothing, houses, furniture, books, pictures, instruments for the arts and implements for recreation—may be considered first, as they raise very few questions apart from those which really have their origin in connection with the other forms of property. It is true that the community, through its authorised representatives, limits the possession of such things as fire-arms, dangerous drugs and whatever may be in its use a peril to others, or, in extreme cases, to the owner, but any such restriction, as itself imperilling human freedom, requires a very general assent before enforcement. In the same way, although too much of what in due measure is good may be worse for the owner's health, both of body and soul, than too little, that is for the most part felt to be his own business and not a social concern. Yet in times of dearth, as in the late war, it may be necessary to ration certain things, lest, by the over-abundance of some, others should lack necessities.

Generally speaking, however, the ability to buy, which means the possession of money, has taken the place of all other justifications for possession. The receipted bill stops all inquiries, in practice. Money, however, is only a medium of exchange. If in one direction it is a token standing for the actual goods or services which can be obtained, it must also stand for what has previously been given. A purchase is only half of an exchange. The previous half, in which goods or services were given for the money, is presupposed; otherwise the whole transaction is unsound. This is why the forging of a note or the uttering of false coin is a crime. It is

INDUSTRY AND PROPERTY

obvious that every purchase of things for use is a taking from the general store of what has been produced by the joint industry of men, and if no equivalent has been contributed, some strong justification is required.

In the case of children, invalids, the aged and the temporarily unfortunate their need is recognised as the justification, though at present in very haphazard fashion. That social increment of wealth which owes its being to the fact of associated life and the heritage from the past is the source from which this maintenance can well be drawn, directly or indirectly, and in the long run such maintenance justifies itself even economically.

Those whose purchasing power is derived from wages and salaries have, of course, already contributed in the production of goods or the rendering of services. Whether or not there are serious errors in estimating the relative values of, say, the scavenger who keeps the streets sweet and clean, the teacher who educates the children, the barrister who has a knack of winning verdicts, and the "cinema star," while of tremendous importance in its own place, does not arise here. These discrepancies, if such they be, are probably dependent upon causes which lie deeper.

Many incomes, however, and many parts of incomes, are derived from the possession of either Land or Capital or a combination of these. The owners are enabled to appropriate to themselves the finished products of men's labour in general because they take a share of what the land they own has produced, or receive interest or profits from their

CHRISTIAN CONCEPTION OF PROPERTY

capital, apart from any service of management which they may give. It is here that the difficult questions arise.

2. *Capital*.—The challenge to the present ownership of capital has probably a greater force in the unrest of to-day than that to ownership of land. For while by economic definition the latter is not the result of human labour, the former is, and would therefore seem to be quite properly owned, both for use and for exchange, by those who create it. The sharpness of the criticism is probably due to the fact that the workings of the capitalistic system are more directly felt by the majority of people, since these are town-dwellers and engaged in those operations which are directed by owners of capital. The inequalities of wealth are also more directly illustrated in the public view by those who are called “capitalists” than by those who derive their income from rents. In fact the term “capitalist” has become practically synonymous with ownership of wealth, which by the medium of money can be exchanged for land or anything else that is purchasable. It is necessary, therefore, to examine the true use of the term “capital,” which also has a very much more extended application than to material things.

In the first instance, capital is that portion of material wealth which is reserved for the production of more wealth. That in modern industry means all the tools, machinery, buildings, means of transport, raw and partly manufactured material and the goods necessary to maintain the workers through lengthy processes of manufacture and disposal of

INDUSTRY AND PROPERTY

produce. In this sense it is clearly an indispensable factor in production in any system that can be devised, and equally clearly a certain proportion of the final product is attributable to its use, as distinct, on the one hand, from that which is supplied by the natural resources, and on the other hand from that which arises from human labour in some form.

Capital comes into being through men refraining from spending all their labour and its produce upon immediate satisfactions, and as by our use of money this is represented by saving, it may be said that the ownership of capital primarily rests with those who spend less than they receive, investing the difference as capital. But this tends to accumulate at an accelerated rate, and as it can be handed on from generation to generation, the disparities in the position of various owners and the non-owners become more and more marked. In extreme cases, where the children of owners of large capital, either through inefficiency or inclination, live on the proceeds of the capital, withdraw their services and live in comfort and luxury without contributing anything in return, a dangerous sense of social injustice is produced. It is true that such owners risk losing what they have, but in a settled country cases of loss are sufficiently rare not to impress the critics of the present system. The same thing is true of many who become rich by a variety of uses of capital which confer no obvious benefit in return for the increased wealth received, but in many instances are a distinct injury to others.

Somewhere or other elements appear to have crept in which have changed the character of capital

CHRISTIAN CONCEPTION OF PROPERTY

and its uses from the simple and blameless form described in elementary economics. This may be illustrated by the well-known saying of Dr. Johnson at the sale of Thrane's Brewery: "We are not here to sell a parcel of boilers and vats, but the potentiality of growing rich beyond the dreams of avarice." The extreme inequalities of wealth have been partly discussed in another section. There is an increasing refusal to believe that these enormous differences can possibly represent corresponding differences either in ability, worth or service to the community, or to listen to a description of the function of capital as a justification for them. Neither will men accept the view that they occur through the immutable operation of economic laws which have nothing to do with morals and defy the control of human thought and administration. What is asked is that serious investigation of cause be made with a view to such rearrangement of economic forces as will produce the desired effect. Otherwise there is danger of the sense of injustice leading to a sweeping away of what is good and bad alike in mere destructive attempts after change.

We venture, therefore, to suggest some of the more obvious points at which injustices have been able to intrude and have been immensely enlarged by the changes from the small to the large-scale industry, and especially by the complexities arising from the drawing together of all parts of the world through modern scientific invention. Just as minor errors in the angles of a house have little practical importance, while much smaller errors in the angles that are drawn in astronomical observations may

INDUSTRY AND PROPERTY

falsify the result by millions of miles, so errors in just distribution in isolated transactions of a simple kind may become of great moment when the scale and complexity of transactions are enormously magnified.

In simpler industry a worker owned his own capital in the shape of his tools. He also produced his wares for the most part to order, and there was no long interval between the making and disposal. To a considerable extent he was the owner of the capital on which he worked, so that problems of division did not arise. When the division between the worker and the capitalist began, it was in connection with the supply of material for a wider trade, and then questions concerning the pay of the worker and the profit of the trader began to be of moment. The full force of this division was felt when power-driven machinery came into use, so that it was impossible for the worker to supply either the implements or the material of his trade. The division of the result of industry being a matter of bargaining, any disadvantage on the worker's part would mean that he would have to take a smaller share, and so be unable to save from his wage as much as could be saved from the return to capital. The worker has always been at this disadvantage, among others, that unless his power is maintained by adequate and continuous means of life, it disappears. The risks which capital incurs are impersonal, and not to be compared with this. Wages also are definite, although the rates may change within limits from time to time ; the returns to capital are indefinite. Hence, while there are

CHRISTIAN CONCEPTION OF PROPERTY

individual exceptions, there has arisen a very real separation of the classes that work for wages, with few opportunities of sharing in the benefits of capital because their margin for saving is so much smaller, and the classes who may or may not contribute their personal industry in some form, but own the bulk of the capital. "So far as the Inland Revenue has discovered, five-sixths of the population do not have property of the value of £100" (Professor Henry Clay).¹

But the returns to capital in modern times do not depend merely on the ownership of actual implements and apparatus of production. A great deal of the success in business depends upon the securing of points of vantage which have been created by social developments; there are ways and methods of securing practical monopolies, partial or complete, some of which are constituted by law, and others by the fact that once the favourable positions are secured there are no others of equal effectiveness. It is no doubt good management which secures these advantages, but it is not clear that adept use of opportunities to obtain results is the same thing as a moral title to those results; or, if it be so in part, to the whole of them. Moreover, as things are working out, it is very largely not to the skilled management that obtains the returns but to capital as such that the returns go. So also do the losses, but on the whole the gains are much the greater.

Through the high development of "money" a

¹ Henry Clay: *Property and Inheritance*. If persons under twenty are ignored, the proportion would be three-quarters.

INDUSTRY AND PROPERTY

very considerable portion of modern "capital" has only a distant reference to actual goods of any kind, but consists of "abstract wealth," or the possession of legal rights to money income. Professor Clay has recently said that more than half the property of to-day is of this nature. A certain kind of expertness, which may or may not be of any use to the community, enables those who possess it, merely by the buying and selling of these rights, to increase their own hold upon them without having created any increase of actual wealth. In this case it is clear that however legal these proceedings may have been, they must in practice be at the expense of the rest of the community, although no particular persons can be identified as the losers.

Another aspect of the use of capital is the power over the lives of others which it confers on those who possess it. A modern business enterprise is an association of those who supply the labour, those who bring the directing and organising ability and those who own the capital. The same historic development which enabled the last to reserve all that was left of profit after expenses had been met has put into their hands also the control of the business, including the conditions under which the hired labourers work and whether they shall or shall not be employed. This last power is usually confined to the particular business owned, but black lists are not unknown, and in any case, in times of general depression to be discharged from one business is for the most part to stand idle and wageless until trade revives. A great deal of hardship is often caused by the discharge of workers when a

CHRISTIAN CONCEPTION OF PROPERTY

business changes hands or a new process is adopted for which it is easier to train younger people. The general public also are in many ways affected by this power which is associated with capital.

An important distinction must be observed here. Labour and management are inseparable from the persons who labour or administer. Capital is separate from personality. There seems to be no reason in the nature of things why management and labour should not own or hire capital instead of the owners of capital hiring labourers and managers. It may be difficult in the present development to bring this about, but it is certainly not impossible and seems to provide a hopeful means of solving some of the moral difficulties.

The trouble, therefore, does not seem to be in the nature of capital itself, but in the right to its possession, the determination of the return which justly belongs to its possessor and the control of industry which is associated with it. While it is quite beyond our province to suggest in detail the reforms that are needed, we can confidently urge that the whole question of the ownership, rewards and powers of capital can only be solved on moral as well as on true economic principles, and that the best representatives of both ought to be set definitely at work upon the problem. To hope for a solution from the unregulated self-seeking activities, or from industrial warfare, or from the clash of party political strife is to court disaster and invite not only a continuance of suffering and injustice, but a development which can only be contemplated with dismay.

3. It is in the case of *Land* that the challenge on

INDUSTRY AND PROPERTY

moral grounds is sounded most clearly, based upon the undoubted fact that natural resources have not been brought into being by the work of any man, and the parallel fact that without access to natural resources, either direct or indirect, but in any case unbroken, men cannot live by the products of their labour.

This challenge, of course, is not addressed to the particular people who happen to be landlords at the present time, questioning their title as the present law stands, or alleging that they are personally guilty of appropriating what is not theirs. Many of them have inherited it, and others have purchased it, and if anywhere a title is unsound, that is a matter merely of substituting one owner for another. The deep underlying moral question is whether these natural resources ought to be bought and sold unconditionally, like articles of personal use, and whether they ought to be owned in this way at all. Should the nation conclude that in the interest of the moral order of society another system was imperative, the individual claims of present owners could well be dealt with even generously, provided that the entail of a bad system were cut off.

The only effective reply to such a challenge seems to be that in the nature of things somebody must own the land, and that on the whole the present system works as well as any other. That would be to assert, in the terms of our previous section, that it is justified by the use of the land and by the relations of men with each other which ensue.

Certainly there is great force in the contention

CHRISTIAN CONCEPTION OF PROPERTY

that somebody must own the land, if by this is meant that there must be exclusive use of it. To get anything like the best results from agricultural land there must be one settled and consecutive plan, free from the interference of others, and continuous not only through the seasons but from year to year. This was the great argument for enclosures of common land. It is also clear that mineral resources cannot well be scrambled for by everyone who comes along, and when once a house is built upon a site it must from the nature of things exclude other houses so long as it stands. This, however, is an argument for security of tenure for the user, which is not the same thing as that ownership which has the power of selling for a price or letting for a rent, determining the use to which the property shall be put and making conditions limiting its use, and receiving sooner or later any increase in value which has come about through social developments, such as the growth of a town, the building of a railway or the construction of roads for motor traffic. There may, of course, be depreciation in some cases.

It cannot be denied that the original title was often based upon force rather than right, and therefore without moral justification, but there were conditions which frequently went far to justify it on the whole by use. Leadership and protection were afforded, and there were well-recognised responsibilities on the part of the lord both to his tenants and to the community. These, however, have long since been commuted by money payments, and land has become increasingly a mere

INDUSTRY AND PROPERTY

commercial commodity. The tradition of personal obligation is still found where estates have remained in one family for generations, but it is doubtful whether personal landlordship at its best is to-day, because of changed social conditions, capable of discharging such useful and necessary functions as would amount to a moral justification. As it is, estates are more and more being bought and sold with a view to personal advantage or profit only.

If broad results are examined, in the light of what is said by those most familiar with the present agricultural system and least inclined to "revolutionary" proposals, it is difficult to maintain that the land is used to the best purpose. It is notorious that the great mass of those engaged in agriculture itself, the labourers of different kinds, have a low standard of living compared with the rest of the community, and there is much in their social relations which is hostile to the development of a free and full personality. The farmer employers constantly allege that it is only by paying these low wages or by receiving a subsidy in some shape from the nation that they can carry on at all. The land-owners also assure us that "land does not pay," and that, as things are, greater profits can be obtained from other investments. No doubt these generalisations would be modified in particulars by their authors, but the general effect remains. Without possible doubt, the condition of the labourers and their families is the very reverse of a justification for the system, and it is also clear from the evidence of agricultural experts that the service to the nation as a whole is very far from

CHRISTIAN CONCEPTION OF PROPERTY

what it might be as regards production of food and utilisation of the land.

In the case of minerals and land used for building sites the function of the owner seems to be reduced to little else than the receiving of royalties and rents. There is, at any rate, no obligation upon him to do more, and it can scarcely be claimed that the veto sometimes exercised upon certain uses of the land has been so predominantly good as to be indispensable or unable to be exercised by any other authority.

The argument from use, therefore, seems to be unimportant and open to counter-argument as to possible greater usefulness through the transfer of the powers of ownership.

It seems beyond question that there is here a very serious problem, social, moral and practical, which demands solution by the best thought that the nation can bring to it. Those who are already convinced of its importance cannot be said to be agreed as to the particular practical solution, and we do not feel that it is our place to pronounce upon any that have been put forward. Some points which seem clear may, however, be stated, as entering into any satisfactory solution.

All rights are really inherent in persons and not in things, and have to be justified by the effect of their use upon other persons. The persons concerned may be put into three classes.

(a) *Those who occupy the land.*—In any settled and developed country exclusion of the indiscriminate entry of others is indispensable for the best results. Even where common use or enjoyment

INDUSTRY AND PROPERTY

is the purpose to which the land is put, some authority must hold it and prescribe the conditions. Those who use the land for purposes which are by nature exclusive must be given the assured possession for this and secured in the enjoyment of all results attributable to themselves.

(b) *Those who are excluded.*—In any settled country the whole of the land available is of course occupied, and it is impossible for everyone to be given direct and immediate use of it. Nor is this either necessary or desirable, since the advanced working of industry requires the co-operation of multitudes in occupations which are derivative. But as these cannot resort to the land for their primary needs of maintenance, they have a moral claim to an assured place in the general industry of the nation, and this claim must ultimately be met morally by the community.

(c) *The general community.*—Whether paid to an individual or not, there will always be the equivalent of “rent” corresponding to that part of the resulting product which is due to the superiority of the land in question over the least productive in use. This superiority may be due to improvement by labour and capital, and the equivalent value would rightly belong to those to whom it was due. But in part it is due to the natural qualities or situation of the land itself and to the existence and activity of the community in general, which would seem to have a moral lien upon the corresponding part of the product. The community also, through its appropriate representatives, has the responsibility as well as the right of seeing that the best

CHRISTIAN CONCEPTION OF PROPERTY

use is made of the land, whatever the scheme of ownership may be. This is part of a general consideration which applies to other cases besides that of the land.

It is conceivable that as individual ownership in the past did discharge, in a rough-and-ready way, responsibilities both to tenants and to the nation, through the Crown, it might in some form be satisfactorily adapted to meet the requirements of the present time, but it is clear that this is far from being actually the case. Through the social changes which have arisen, legal rights have increased while responsibilities have decreased. There is urgent need of a clearly-thought-out policy, based on moral principles, and consistently applied. The policy of letting things settle themselves, under the impression that if everyone was left to pursue his own advantage the greatest advantage would be obtained generally, has obviously failed in experience.

III. INDIVIDUAL AND COLLECTIVE OWNERSHIP

In the discussions and often the controversies of the present day individual and collective ownership are frequently put into mutual opposition. According to the point of view, one is considered to be a good thing in itself and the other bad. There is, however, no ground in the nature of things for this, and the exaltation of either into a fetish merely obscures the true issues and delays a helpful solution of the troubles which are so pressing to-day.

As a matter of fact, both exist in our own civilisa-

INDUSTRY AND PROPERTY

tion and both have existed together as far back as can be traced. It is true that, as has been said, the development both of what we call individual personality and of individual property belongs to the development of civilisation, and it is also true that the whole worth of life is found in personality. But it must be observed that while personality is centred in individuals, it is insuperably associated with the development of social life and all the associations and intercourse which flow from it. It is from the enhanced social life which civilisation brings, with its new groupings which always replace the old, that the richness of personality is derived. In it especially the moral and spiritual life finds both its conditions and its fulfilment. Apart from the society of which he is a member the individual is a poor and powerless person.

Responsibility is the characteristic of the moral personality, and in practice this must be both individual and collective. For there are some duties which cannot be performed by the community for the individual and some that can only be discharged corporately. In so far as property is concerned, these responsibilities are inseparable from ownership in some form, and therefore we find that, despite exclusive theories, individuals, corporate associations, villages, townships, counties and the nation itself hold their appropriate properties and are compelled to do so for the due fulfilment of their functions.

Nor are the two exclusive of each other so that they merely exist side by side. The community is compelled to delegate the active functions of ownership to certain individuals, and, as has been

CHRISTIAN CONCEPTION OF PROPERTY

seen in Section A, all individual rights depend ultimately on the sanction of the community, which prescribes, conditions, limits and enforces those rights. Further, the values of different kinds of property are derived from both individual and social activities.

It seems quite possible, therefore, for the community and the individual to be in partnership rather than in opposition, even as concerns ownership of the same things. For there are different functions of ownership and different degrees, not merely in theory but in actual practice. There are rights of use without rights of sale or other disposition; rights to receive portions of the produce without the right to control the working; rights for a fixed term or for natural life or with power to hand on to someone else; rights vested in a single individual and rights exercised and enjoyed in common with others.

It is forgetfulness of this which seems to lead to considerable confusion of thought. Criticism of method of administration is supposed to be valid criticism of ownership itself, as when the national ownership of some monopoly is identified with centralised administration from an office in Whitehall which had its origin in quite other needs. There is really no reason why a great industry should not be given self-control, with responsibility to citizen owners instead of to shareholders, if that were found on sufficient grounds to be desirable. On the other hand, criticism of private ownership of businesses which are practically monopolies does not necessarily mean an objection to the personal

INDUSTRY AND PROPERTY

enterprise which makes experiments and justifies its handling of the property concerned by the public service rendered.

If, as is maintained by many, the development of personality is bound up with personal ownership of property, the fact already quoted, that according to Inland Revenue experience five-sixths of the people have no more than £100 worth at most,¹ shows convincingly that our modern society, which has made it almost a religion to favour individual ownership against collective, has somehow missed its own way, and the problem is how to make individual "enterprise" a reality for the many instead of for the few. The argument that the high positions of wealth and power are open to all who can take them contains the same fallacy as the saying attributed to Napoleon, that every soldier of his had a possible Field-Marshal's baton in his knapsack. "Anybody" is not the same thing as "everybody."

Since a system so emphatically based upon a theory of individual ownership has left the vast majority without much ownership to speak of, and stress upon individual freedom has resulted in a tremendous regimentation of men and pressure into social strata and industrial types, it is at least worth seriously considering whether there are not collective responsibilities of ownership which are necessary to bring true opportunities of individuation to the majority. At any rate the individual use of the roads is freer because of collective ownership, and is only endangered when the community

¹ See p. 145.

CHRISTIAN CONCEPTION OF PROPERTY

fails to exercise the control, which is one of the responsibilities of that ownership, upon those individuals who use their superior powers of speed to the hurt of others. It is possible that this is not an extraordinary exception but a typical example.

What appears to be greatly needed is the laying aside of prejudice and the repetition of catch phrases that there may be a clearer recognition of the powers and responsibilities that really belong to individuals, to groups and to the community as a whole, so that the various kinds of ownership rights may be distributed accordingly. The doctrine of stewardship as applied to property, wholly admirable in itself, presupposes for its working out that the right person is acting as steward.

IV. RIGHTS OF INHERITANCE AND BEQUEST

The practice of inheritance is in some form probably as ancient as property itself, and like the holding of property has never been unconditional. The same causes which have led to the modern tendency to regard property as absolute have naturally tended to displace the laws of inheritance by the right of bequest at the will of the owner, and this tendency has called forth the same counter-objections. The criticism of John Stuart Mill, which had little effect at the time, has been revived in greater force of late.

To a large extent the objection is that it intensifies the evils which have already been examined, notably the accumulation of property in the possession of a few and the placing of its privileges in

INDUSTRY AND PROPERTY

the hands of those who may either refuse or be unfit to fulfil its responsibilities. In these respects it seems probable that the removal of what is objectionable in present methods of holding property itself would also remove the objection to its transfer at death. Certainly a number of the suggestions made have for their purpose limitation rather than abolition, using the occasion of death as an opportunity of correcting undesirable features in the present system. The taking of Death Duties by the State is, of course, a step in the direction of limiting the accumulation and of bringing to the use of the community some part of the wealth which is due to the general social activities already discussed. They do not, however, touch the problem of perpetuating the privilege of receiving income without discharging equivalent responsibilities, or of the placing of persons in positions of power who may not be the best fitted for its exercise.

What, then, is to become of the property which the man who has died has had to leave behind him? At present it passes either by inheritance or by bequest.

(a) *Inheritance*.—In the law which still survives, governing succession in the case of intestacy and in the custom still expressed in deeds of entail, besides largely governing dispositions at the will of the owner, degrees of relationship determine the proportions in which the property is to be inherited. This, however, raises further questions. In different societies and at different times there have been different systems. In our own land the question of which son shall inherit is a matter of geographical

CHRISTIAN CONCEPTION OF PROPERTY

location. A deeper criticism is that blood-relation is in itself no test either of need or of ability to use property rightly.

On the other hand, inheritance does in some way ensure that those who were rightly dependent on a man during his life shall not fall into want at his death. It is also urged that it acts as a stimulus to a man to provide for his own. This may be answered by the contention that in a well-ordered state such support of dependent persons ought not to be necessary, but would be afforded in a better way, apart from the chance of their being blood-relations of some propertied man. Still, while conditions hinder the coming of this better way it would seem unwise to sweep away prematurely the present substitute. In any effective endeavour to reach a better social order regard must be had to the sequence in which reforms are made. To do the right thing in the wrong sequence is often indistinguishable from doing the wrong thing.

The provision for genuine needs of a man's family might be even more rigorously insisted upon, where the means exist. This, however, is quite separable from the handing on the powers which go with property to unfit persons and from augmenting the accumulation of wealth where such need does not exist.

(b) *Bequest*.—Here the central question appears to be whether bequest differs from the ordinary gift which is within the giver's disposal during life, and therefore needs any other restriction or control than governs such transfer.

(1) The right of bequest carries with it the making

INDUSTRY AND PROPERTY

of conditions to be observed after the testator's death. This appears to be an extension of power over the lives of others which requires considerable justification by some undoubted good. Is it possible for a man to be so wise as to foresee the effects of the conditions he has made? He certainly cannot fulfil the responsibility of altering them if wrong.

(2) The choice of persons to whom bequest is made seems to be on a different footing from that made in the testator's lifetime, since he escapes all the consequences of indulging his preferences, dislikes, prejudices and even spite. It also is asking the State to carry forward his wishes and power over others.

(3) It is one thing to make a gift during life, taking the consequence of a lessened income for one's self, and quite another to dispose of what cannot longer be enjoyed personally in any case.

These considerations establish a very real difference between gift and bequest and go far to justify a much greater control on the part of the community. There is, in fact, an existing provision of law by which bequests that are contrary to public interest can be declared void. This provision might be made more effective by a positive declaration of the principles which the common good requires to be observed in the disposition of estates after death. Within these the expressed wishes of the late owner could be regarded without the finality which now attaches, sometimes disastrously, to them, the State and the testator being, as it were, partners in the matter. At the same time

CHRISTIAN CONCEPTION OF PROPERTY

the law of inheritance might be brought into harmony.

Such suggestions as that persons already in possession of sufficient income should be disqualified from inheritance of further income (material objects of personal association are on a different basis), or limited as to amount; that no one should be entitled to bequests of more than a certain amount; that distant and obscure claims to inheritance should be void; and that the residue of estates after the allowed claims have been satisfied should be used for redressing the general inequalities, may on their practical side need much and careful discussion, but they are at least addressed to undoubted wrongs and are not lightly to be dismissed. The evils that exist are not extinguished by destructive criticism of plans for remedying them, and the onus of producing a better remedy falls upon the critics.

CHAPTER IX
EFFORTS TOWARDS REFORM

CHAPTER IX

EFFORTS TOWARDS REFORM

THE industrial system of to-day, while it still bears the marks of its eighteenth-century origin, has been modified and softened in many of its features during the past hundred years. Ever since the first reformers cried "Halt!" to the unchecked march of *laissez-faire*, attack upon the abuses and injustices of the system has not ceased: if it died down on one side, it was the more hotly renewed on the other. It is true that the greatest reforming triumphs have been of the nature of reparation for past wrongs, and that their entire cumulative effect has not yet succeeded in wiping out the effect of those wrongs. But it would be a profound mistake to suppose that because the contemporary industrial world presents a scene of division and conflict, a disturbing inequality of position and reward, and of conditions of labour which at their worst are hostile and at their best unfavourable to the true development of human gifts and character, all the attempts to improve it which, in growing number and with widening scope, fill so large a place in our social record since 1820 have failed to attain their object. The gathering and grouping of the confused inarticulate masses of the industrial population of eighty years ago into trade associations

INDUSTRY AND PROPERTY

of employers and employed—the vast achievement of the Co-operative Movement in organising supply of the workers' needs on a basis which excluded profit-making in the ordinary sense—the protective action of the State, directed particularly to the safeguarding of the weakest classes of workers, issuing in Factory Acts, Trade Boards, insurance against sickness and unemployment, old age pensions, supplemented by local government effort for the promotion of health—the schemes and experiments of enlightened employers bent on raising the standard of safety, hygiene and comfort in their works—by all these, in one way and another, the abuses of the existing industrial system have been mitigated and many of its ugly features softened. Nor is this all. Converging upon their object from widely different angles, all these reform movements bear witness to a growing sense of responsibility in the nation at large for the industry by which and through which it lives. Such a sense may find active expression, as in public support of the campaign that sets a new protective law upon the Statute Book, or passive, in the acceptance of the workers' right to form associations for their own protection, but the spirit in both cases is the same. The moral obligation towards industry is recognised and, however dimly, the spiritual questions involved in its organisation on the human side are admitted. Tentatively and slowly, the industrial worker is emerging from the shadow of the machine which at one time seemed to have engulfed his personality, and standing in his rights as a man, significant on the plane of moral value.

EFFORTS TOWARDS REFORM

I. TRADE UNIONS AND EMPLOYERS' ASSOCIATIONS

(We deal here with them only so far as they are related to justice of wages and conditions.)

We have pointed out that one of the gravest criticisms which have to be made upon the actual system of industry is that it tends to magnify rather than to diminish the elements of conflict in human society. What are we to say, then, as to the character of these great organisations?

It must be quite frankly recognised that their main purpose is to strengthen the hands of the wage-earners and the employers in the industrial conflict. It is quite true that most Trade Unions provide for mutual assurance in other respects, and yet it would be untrue to the facts to say that these are more than subsidiary purposes. It is as organisations for maintaining their respective and often differing interests that we must consider them.

We are clear in our judgment that just so far as these organisations are used to set forward what men believe to be their just and reasonable demands they are both justifiable and helpful, and that under the present conditions of industrial society they represent a much higher moral conception than that of the isolated man struggling for his individual rights and advantage without reference to the needs and helplessness of his fellows. Self-help is a valuable principle of life, but mutual help is better.

For, in the first place, these organisations are not the causes of the industrial conflict, but they represent the antecedent fact; and unless we are to impose upon men the obligation of accepting with-

INDUSTRY AND PROPERTY

out resistance whatever results the varying distribution of economic forces may bring, we cannot without dishonesty condemn the attempts of men to secure what they think to be their reasonable demands.

In the second place it is now recognised among intelligent people that these organisations have provided the foundation upon which the most successful attempts to establish some elements of mutual understanding and conciliation between employers and wage-earners have been built up. The method of collective bargaining represents an immense advance upon the spasmodic and frequently violent struggles which preceded it. And the establishment of standard conditions of wages and hours has been a real achievement of good sense and reasonableness.

II. ACTION BY EMPLOYERS

In the improvement of industrial conditions a noteworthy part has been played by enlightened employers, who have deliberately adopted in their works a standard higher than that required of them by law. Factory Acts and Regulations must, of their nature, impose a minimum rather than a maximum of conditions; it rests with the employer to observe laws in the spirit and not merely in the letter, having regard to "the intention of the legislator" in interpreting codes. This is, fortunately, done in a number of instances, and the keenest social reformer will admit that the practice of the best employers has always been in advance

EFFORTS TOWARDS REFORM

of contemporary legislation. It is they who make the pioneer experiments which, when their results are subsequently embodied in an amending Act of Parliament, have from time to time raised the general level of factory life. The importance of well-constructed, well-ventilated and well-lighted workplaces, equipped and organised with a view to maintaining the operatives who work in them in comfort as well as in health, is now widely recognised; welfare schemes, directed most often to the softening of the hardships and the increase of the amenities of factory life, but including also in certain instances provision for continued education and for recreation indoors and out, especially among the young, are growing in number, and would undoubtedly be much more common but for unfavourable trade conditions; the principle of Safety Committees, of Works Committees and similar internal organisations by which the workers obtain some share in determining the conditions amid which their working lives are passed begins to gain ground, albeit slowly and not without encountering keen opposition as well as much passive resistance. Some firms give supplementary benefits from profits for superannuation, life assurance, recreation, etc., and this practice is being extended; recently in a few cases annual holidays with pay have become part of the system of working. A beginning has been made of conferences between employers and employed on industrial questions other than those of wages and hours, and in a number of instances the workers now receive much fuller information on the general position of the business with which

INDUSTRY AND PROPERTY

they are associated than was the case a few years ago. Co-partnership and profit-sharing schemes, while they have failed of any considerable development and seem unlikely to win the approval of the organised worker, may be regarded as experiments in the direction of some form of industrial co-operation, and representative of a reaction from the old inhuman view of labour as a "commodity."

There are those who hold that the modern tendency to amalgamation of business and the general establishment of large-scale industry, with the increased powers and opportunities which it gives to Management (as distinguished from simple ownership), will give an impetus to reforming action on the part of employers and make for better conditions in industry as a whole. While recognising the great opportunity for material improvement in industrial conditions which the possession of large capital furnishes to conductors of large-scale business, it appears to us that these are outweighed by the disadvantages attaching to the growth of Combines and Trusts, from the point of view of the citizen, whether as individual worker or consumer. On the other hand, there can be no doubt that, as the industrial world is organised, Employers' Associations, like Trade Unions, have their proper and necessary place in the organisation. Upon their existence and function collective bargaining in the extended modern sense depends.

III. THE CO-OPERATIVE MOVEMENT

The term Co-operative Movement is used to include two kinds of societies, which are really very

EFFORTS TOWARDS REFORM

different: (a) Societies controlled by the consumers of the goods produced and sold; and (b) Societies controlled by the producers of the goods.

(a) Of these, the Consumers' Co-operative Movement is at present by far the stronger. "Something like three-sevenths of all the families or households in Great Britain are now enrolled as co-operators. Roughly speaking the Co-operative Movement supplies, to this three-sevenths of the population, one-half of their food-stuffs and one-tenth of their other household purchases. About four million co-operators own and control nearly £100,000,000 of capital."

The Consumers' Co-operative Societies, wholesale (including manufacturing) and retail, supply a large quantity of goods to a large part of the population; presumably they do it satisfactorily on the whole, since membership is voluntary and they have to face the competition of the ordinary shops. They are engaged almost entirely in supplying necessities of life or inexpensive luxuries; they do not cater for the extravagant tastes of people with large margins of income. Nor does any individual get rich on the process of supplying those needs; the range of salaries is lower than in ordinary private enterprise, and whatever economies are effected result in the benefit of a large number of men and women with small incomes. It is a body of trade which is remarkably stable, since it consists mainly in supplying, and to a large extent manufacturing, necessities for a known market. The consumer has better facilities for expressing

INDUSTRY AND PROPERTY

and enforcing his wishes than the ordinary trade allows, though it must be added that, perhaps from the conditions just mentioned, the goods actually supplied are probably less varied in kind, certainly not more so, than in the ordinary shop.

Employees enjoy at least as good conditions—it is claimed, better conditions—as in the corresponding private enterprise. None the less there is often friction between the management of the Movement and its employees and their trade unions.

The Consumers' Co-operative Movement is often accused of lacking imagination and enterprise, and there would seem to be some substance in the charge. This is sometimes said to be due to the fact that the range of salaries is so narrow; *i. e.* that not enough is paid to secure and retain first-class men for its more important posts. On the business side this is probably true. The "dividend" system is also credited with having led to the dimming of those ideals which inspired the early pioneers. On the other hand, the Women's Co-operative Guild, though it is associated with rather than an integral and official part of the Movement, has done much to promote education in the living issues of the day and to make the Movement as a whole something more than a sharing of trading benefits.

After all criticisms have been passed, the Consumers' Co-operative Movement remains a very solid and impressive achievement. It demonstrates the practicability of an alternative to capitalist enterprise over a large field, and within its sphere it confers benefits and avoids dangers which are

EFFORTS TOWARDS REFORM

not conferred or avoided under ordinary private enterprise. It is a movement which ought to be regarded with great sympathy and interest by Christians, at the heart of whose religion is the co-operative spirit, and whatever criticism is offered should be with a view to the better expression and embodiment of that spirit.

(b) Producers' co-operative societies have not the same history of steady growth. They have been sporadic in appearance and large numbers of them have failed to make good. The total capital employed is certainly well under £1,000,000. It would seem to be a more difficult field of enterprise, requiring a longer and more exacting apprenticeship, both on the side of business management and in the discipline which is based on mutual trust. It is possible also that since the ultimate purpose of production is to supply the consumers' needs, no form of co-operation will be quite satisfactory which does not in some way include the consumer. The most successful field of productive co-operation so far seems to have been the boot and shoe industry.

A recent development, which is being watched with great interest, is the formation of Guilds of Builders and one or two kindred guilds. The aims of these bodies are to secure the control of the enterprises for those actually engaged in them, to guarantee continuity of employment and to supply the goods at cost price; *i. e.* with no "profit" other than a reasonable remuneration of capital at a fixed rate. An illuminating sentence expressive of their purpose is, that "whereas in the past capital has hired management and labour, labour

INDUSTRY AND PROPERTY

should now hire management and capital." It is also claimed that "It is industry organised for service as opposed to industry organised for gain."

The National Guild of Builders has carried out some important contracts, and there is a good deal of evidence concerning the excellent quality of its work. Up to the present, however, it has not surmounted the difficulties connected with inefficient business management, internal dissensions and insufficient capital. There has been reconstruction, and it is yet too early to foresee whether it will ultimately be vindicated by practical success. There is certainly great room for experiments of this kind. If not destined to solve the entire problem of making our industry co-operative in the full Christian sense, they may at least help us, by their experience, to solve the constituent problem of the share in control which the workers should have and which would bring out their sense of responsibility to the full, so that "the team spirit is developed to the maximum extent, because all sections are united for a common purpose—the organised service of the community—and no longer pull in different directions for the disposal of the surplus."

IV. REMEDIAL ACTION BY THE STATE AND LOCAL AUTHORITIES

Of the forces making for the improvement of industrial conditions during the last hundred years, that of the State has been one of the most powerful. Here we see the national will expressing itself through its representatives in Parliament, at first

EFFORTS TOWARDS REFORM

feebly and tentatively within narrow limits, but, as the years pass and experience grows, with increasing boldness and confidence over an ever-widening field. During the forty-five years after the first attack was made (in 1802) on the entrenched doctrine of *laissez-faire*, the action of the legislature was mainly confined to the remedying of crying abuses by restriction of the labour first of young children, then of older boys and girls, and finally of women within the area of the textile trades. Progress was slow and achievement frequently disappointing. But after the middle of the century there began a quickening of the pace, as the protection of the Factory Acts was extended to industry after industry and a minimum of health and safety within the factory or workshop established as a condition of employment for all operatives. The law, administered by factory inspectors appointed by the Central Government, became not merely a terror to the bad or unscrupulous employer, but a support to the good, and for the main body between these two extremes a powerful influence to keep them steadfast in the right way. Meanwhile, its administrators were observing, testing, studying, carrying out research, and on the strength of their studies and observations it was possible, before the nineteenth century drew to its close, to begin a great forward movement from simple prohibition to constructive principle in the framing of industrial legislation. The "nineties" saw the initiation of the long series of Regulations for Dangerous Trades which have had so remarkable an effect in checking and eliminating industrial

INDUSTRY AND PROPERTY

disease, together with increased activity in devising means for the prevention of industrial accidents; and both movements continue their course with an energy which experience of war industry has served only to quicken. Latterly, the more personal side of industrial life has been recognised by the issue of Welfare Orders which take account of simple daily human needs and require provision to be made for them in certain trades. It seems probable that such provision will before long be made a general legal requirement, and a long step in this direction was recently taken in the new Workmen's Compensation Act, under which every occupier of a factory is in future bound to provide First-Aid equipment.

Factory Acts have not cured all the evils inherited from the period of merciless competition and unregulated conditions which followed on the industrial revolution. Those evils had a long start of the remedies which, late and haltingly, it was sought to apply to them, and for some eighty years the remedies were mainly of the nature of reparations, and scarcely sought a positive good. Even in the present more constructive period the office of law will and must be to provide rather a firm foundation on which Christian idealism may build, than the building which it would erect. But as a foundation industrial laws are indispensable; they make of national application standards which would otherwise remain limited to groups.

The duty of the State to secure for all workers tolerable, safe and healthy conditions of labour, and to protect particular classes of workers in respect

EFFORTS TOWARDS REFORM

of hours of employment, has long been an accepted principle in Great Britain. More recently, its helping hand was found needful in the nation's effort to free itself from the reproach of acquiescence in the sweating of the weakest and most helpless of its manual labourers by systematic underpayment. Hence the institution of Trade Boards, which has done much to mitigate hardships formerly a permanent feature of many of the unorganised trades, and to give new hope, courage and self-respect to some two millions of toiling persons, of whom the majority are women.

Of later growth still are the systems of National Health Insurance and Unemployment Insurance. These systems have their vulnerable points, their debatable provisions; they present targets for criticism. But their beneficence in modifying the effect upon the industrial worker of sickness or worklessness is not in doubt. Work is better than unemployment benefit. Yet even those who miscall that benefit a "dole," even those who must recognise regretfully the loss of skill and *moral* that follow on the eating, however unwillingly at the outset, of the bread of idleness, will not refuse to admit that a system which preserves a man's home and neither separates him from his family nor condemns him to see them suffer abject want when the cyclical fluctuation of trade or the economic results of a Great War throws him out of his job, has merits, from a Christian point of view, which are not to be found in deterrent Poor Relief.

Factory legislation, minimum wage rates, insurance against sickness and unemployment, workmen's

INDUSTRY AND PROPERTY

compensation for accidents—such are the chief methods by which the State, acting for the nation as a whole, has sought directly to mitigate the pressure upon the worker of the competitive system of industry. More indirectly it has aided him by giving elementary education to his children, and enabling him in certain circumstances to improve his own; and it has empowered the local authority, where the latter is so minded, to extend these advantages in various directions. Progressive local authorities have availed themselves of their powers, and the result is seen in Evening Institutes and Technical Schools, in Medical Inspection of Schools and School Clinics, in the work of Health Visitors and Shop Inspectors, and the making of by-laws for the employment of children¹ under the Education Act. The Advisory Committees on Housing appointed by local authorities are likewise doing something to raise the standard of houses to be built for industrial workers, and to combat that bad habit of overcrowding which has been with us ever since the setting up of the modern factory system drew operatives in tens of thousands to towns unprepared to receive them.

¹ Otherwise than in factories and workshops.

CHAPTER X

PERSONALITY AND THE CHRISTIAN ORDER

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WE have endeavoured to set out some of the graver defects of our system on industry as we see it to-day, and we have been compelled to point out that in some very important aspects, our system of industry and property has produced, and is producing, results which are profoundly disconcerting to any men and women who do not allow their moral sensitiveness to be blunted and their moral judgment to be perverted by mere use and habit. We must now consider how the conceptions of human life which are characteristic of Christianity are related to these conditions and their causes. It would no doubt be possible to enumerate many Christian principles, but for our present purpose it is enough to consider two.

The first is the immeasurable value of the individual personality to God and therefore to honest men. This is the real meaning of the conception of human equality, and this is the first and fundamental Christian conception of human life. And, therefore, the first test by which all social conditions must be tried is just this—do they make possible the realisation of human personality, or, at least, do they tend towards this? The conception which the Christian faith cannot tolerate is

INDUSTRY AND PROPERTY

the conception that the personality of the many can be sacrificed to the development of the few. It is indeed probable that it is only a few, and these negligible and merely eccentric people, who would venture to maintain this in theory, but it is perhaps the gravest charge which can be brought against the present economic organisation of society that this is, in fact, its result.

We are not here concerned with the historical question how far this tendency is more or less developed in modern rather than in ancient and mediæval society. It is true that the disappearance of slavery and serfdom represent some real advance, but it is also obviously the case that, under the present economic conditions, the freedom and the development of a comparatively small number seem still to coexist with the narrow and squalid condition of many. This does not need any argument; after all the West End of London is small, the East is enormous, the "Two Nations," as they have been called, are still separated from each other by a great gulf, not of distance but of conditions. And the conditions are, in fact, such that in many cases they render the development of the human personality practically impossible, and in others at least very difficult.

Personality, moreover, does not merely signify equality, but it requires liberty, and it is the defect of liberty which is the second of the gravest criticisms that must be directed against the present system of economic society. The mere thoughtless defenders of the present system have sometimes the courage to maintain that they are defending what is at least

PERSONALITY

a system of liberty; while the real weight of the charge against the essential character of the present system is that it is exactly liberty which it tends in a large measure to destroy. What its defenders mean by liberty is really power, the power of some over others, of the few over the many. It is the artificial power which the ownership of capital gives which is the gravest difficulty of society, for it is this which interferes in such a disastrous way with the freedom of individual personality. And the Christian faith which demands the recognition of the immeasurable value of the individual, demands also the recognition of the freedom of the individual. This does not mean that any reorganisation of the method of social order will of itself secure the freedom of the individual; but it is true that a reasonable order will furnish the foundation on which individual freedom may be built.

It is idle to maintain that the pursuit of this is impossible. The history of political civilisation is the history of the substitution, in the name of liberty, of the common control for the control of the individual; and it is merely an unthinking foolishness which would maintain that what the intelligence of man has been slowly building up in the political world is impossible in the economic.

If the first principle of the Christian conception of human life is the immeasurable value of the individual and his function, the second is that the relations of these individual men and women are those of members of a society of mutually dependent beings. That is, that men live, not by conflict, but by mutual help, and in virtue of that mutual

INDUSTRY AND PROPERTY

love which is not merely the ideal but the foundation of life. They are, in the principle of Christ, the children of one Father, of one household and community, members of the one body of Christ. Fellowship, mutual love and service, then, are life; enmity and conflict are death.

This is another of the grave criticisms of our modern economic society, that, whatever may have been its results in the production of wealth, it has signally failed in this, that it has rather intensified than mitigated the tendency to conflict. The older order of society, whether ancient or mediæval, had its own vices, slavery or serfdom, an incredible squalor and poverty in many cases, an almost unthinkable brutality and cruelty, but at least it was controlled by a system of custom and law which men conceived of as the embodiment of some moral idea which they called justice, while modern economic society presents the appearance of an organised conflict. It was apparently from the accepted economic doctrines of the earlier part of the nineteenth century that modern biological science derived the conception of life as dominated by the struggle for existence, the law of the survival of the fittest. These conceptions may have their just place in biological science, but biology is not the whole science of humanity. The conflict of interests, the blind struggle of men against each other for subsistence or gain, these are real characteristics of modern society in its economic aspect, but they are the characteristics of life below the human level, of the merely animal, not of the really human life. They are inhuman and anti-Christian.

PERSONALITY

It is no use trifling with these things, it is no use pretending that they are inevitable accidents of human life, for the truth is that these only represent the existence of merely animal characteristics, characteristics against which reason as well as humanity have perpetually and on the whole victoriously struggled. And so far as men claim to be Christian people, they must make clear to themselves that these things are contradictory to the principles of Christ, and that Christian men must bend their energies to the transformation of their animal, their bestial life into a human and divine life. The truth is that the faint-hearted defence of these conditions which is sometimes made even by men who claim to be Christian, is founded upon a simple-minded but dreadful confusion between the merely animal life, which is in man, and the human life, which is his proper character, and the notion that these must correspond with each other; on the contrary, the "ethical process," as it has been called by Prof. Huxley, does not correspond with the "cosmic process," but often opposes it, runs counter to it, contradicts it.

We are no longer under the influence of that curiously unscientific illusion of the eighteenth century, that if each man will but follow his individual interest or advantage, it will result in the advantage of all. A century of industrial and social conflicts, of factory conditions and Factory Acts, lies between us and these fantastic dreams, and we know very clearly that if we are to attain to peace, if we are to establish mutual help and co-operation, we can only do it by careful thought and resolute

INDUSTRY AND PROPERTY

effort, by deliberately and consciously setting before ourselves the common good as the end and purpose of human life.

And, the method of this is the method of the common control of society over the economic aspect of human life. It is a singular blindness to history which seems to prevent some otherwise intelligent people from understanding that this has been exactly the method of progress in the general social and political organisation of society. It has been by the gradual extension of the common control over the individual passions and desires in the ordering of the common life that we have secured such a measure of peace as we enjoy, and it is only by the same method that we can hope to attain to peace in the economic world.

And peace, mutual help, co-operation, mean not only peace but liberty, for there is no conception of liberty which is quite so illusory as that which would identify it with isolation; man is not free when he is cut off from his neighbour, but only the helpless creature of circumstance, the slave of human impotence.

Our industrial and economic society is then, from the standpoint of Christian principle, in these most important respects, not merely defective, but vicious and radically unchristian, and we must each forward and labour for, not a mere mitigation of these evils by the use of palliatives, but for a fundamental though no doubt gradual transformation of its character and organisation. It is this which the Christian society must learn, and it is the failure on the part of Christian society to face this which has

PERSONALITY

made some men doubtful whether Christianity has any contribution to make to social progress.

The Christian societies maintain, and rightly, that their main function as critics of life is to protest against materialism, but the materialism which really threatens religion is not an intellectual materialism which is already out of date, but the practical materialism of the common order of society in its economic aspect. The function of the Christian societies is to represent the human, that is, the spiritual quality of human nature, and to prepare the way for the embodiment of this in the common order of life.

CHAPTER XI
CONCLUSION

CHAPTER XI

CONCLUSION

THE result of our inquiry is saddening. It brings out very clearly the dangerous and in many ways disastrous consequences which have ensued from the rapid advance in the use of those very forces which should have benefited the whole society. The immense industrial development of the nineteenth century has no doubt enriched society as a whole, but at the cost of the growth of a most calamitous social conflict, inseparably connected with conditions of life which the conscience of the nation is finding increasingly insupportable.

But while this is true, it is also true that the prospects are not hopeless nor the conditions irremediable. The analysis of these conditions will have served to show in some measure where the causes lie and that it is not impossible to deal with them. In the previous chapter it has been shown that some real progress has already been made in dealing with them.

The important thing, if we are not to lose ourselves in the detail of actual effect and partial achievement, is to ask what has been the main force to which such reforms as have been made are due. We are convinced that this is much simpler as well as more far-reaching than is often thought.

INDUSTRY AND PROPERTY

It is really nothing else than the recognition that the moral and spiritual—what we as Christians would call the religious—principles of society have rightly claimed both the responsibility and the authority to check and to direct the working of economic forces, so far as these are susceptible of human control. It was because the development of physical and scientific knowledge outran such moral control that the disastrous mis-shaping of society came to be, and it is only by the restoration of its authority that they can be used for well-being instead of detriment.

There can be no reasonable doubt that it was the revolt of the moral sense of the community against the conditions of labour, especially of women and children, in factories and mines which compelled Parliament to enact the various measures of Factory Legislation. It is worthy of note that it was Lord Shaftesbury's passionate religious conviction as well as his humanity which constrained him to take up and carry through the work which had been begun by the humane genius of Robert Owen and others. There were indeed many who honestly feared that the demands of the moral and spiritual conscience would be ruinous to our economic prosperity, but the common judgment of the nation determined that the risk should be run. As it proved, the risk was illusory.

It is the same principle which has compelled Parliament to set up minimum wage boards for the protection of the economically weaker members of the community; again with results which in the main seem to show the system to be practicable.

CONCLUSION

It is the same with the slow and hesitating but on the whole continuous development of the treatment of the housing problem and that of unemployment, as something for which the whole community must accept the responsibility and of which it must directly or indirectly bear the burden.

It is on the same principle that the future action of the community must be based. This, in our judgment, is of central and vital importance; the supreme claims of the Kingdom of God and the world's need of deliverance coincide. The principle must, however, be applied definitely, intelligently and persistently if it is to do its effective work: definitely, in that it is directed to clear objectives; intelligently, in that it does not confuse moral purpose with practical achievement; persistently, in that it does not depend upon the fitful stimulus of some more than ordinarily shocking reports but steadily presses on to the goal. What we are concerned with is that the moral and religious sense of the community should refuse, should utterly and persistently refuse, to be satisfied until effective methods of peace and co-operation shall have brought to an end this deplorable and disastrous conflict. For this world of conflict and of the dreadful consequences of conflict is not a Christian world, and the only hope of making it Christian is to express in the circumstances and regulation of its common life the principles of justice, of mutual help, of mutual love, that thus haply it may attain to peace.

As to definite objectives, the examination we have made brings several into strong relief.

INDUSTRY AND PROPERTY

1. *The ultimate aim of Christians with regard to industry and commerce should be the substitution of the motive of service for the motive of gain.*
2. *Industry should be a co-operative effort adequately to supply the needs of all. This does not involve one particular type of organisation universally applied. It does involve a perpetual effort to find the organisation best suited to each industry.*
3. *Industry should be so organised that all those engaged in it shall have an increasingly effective voice in determining the conditions of their work and lives.*
4. *The first charge on industry should be a remuneration sufficient to maintain the worker and his family in health and dignity.*
5. *The evils of unemployment are intolerable to the moral sense. The causes must be sought and removed.*
6. *Extremes of wealth and poverty are likewise intolerable. A Christian order involves a juster distribution.*
7. *The moral justification of the various rights which constitute property depends on the degree to which they contribute to the development of personality and to the good of the whole community. If such rights subserve those purposes they deserve the approval of Christians: if not, they should be modified or abolished.*
8. *The duty of service is equally obligatory upon all. No inherited wealth or position can*

CONCLUSION

dispense any member of the Christian society from establishing by service his claim to maintenance.

Finally, as Christians speaking to Christians, what contribution can we make by virtue of that faith which we share? We have to remember two things.

(a) Social responsibility arises when from the nature of things individuals as such cannot do what is needed.

(b) This social responsibility is not antagonistic to individual initiative. It has as its object the fuller life and personality of the individuals who compose society. It is through social law and organisation that individuals possess what scope for initiative they enjoy and are given what freedom they already have from the encroachments of more forceful individuals. The real opposition is not between social action and no social action, but between what effects its purpose and what misses it.

From this it surely follows that as Christians we should work for :

1. *The awakening of the spirit.*—No organisation can be of use unless first shaped and then energised by the living conviction and purpose of men. History shows that legislation or administration too much in advance of public opinion is at least ineffective and sometimes harmful. This means that those who believe in the Kingdom of God and pray for its coming must both be in earnest about it themselves and make others enthusiastic in the true sense. This is an essential part of the mission-work of the Church at large.

INDUSTRY AND PROPERTY

2. *The embodiment of the spirit.*—If organisation cannot work successfully without the power of the spirit, neither can spirit without an adequate organ. We believe that there is already much of this spirit of justice and good-will, but the existing organisation does not give it scope, even thwarts it. As Christians we must co-operate to reshape this organisation in accordance with God's will and purpose.

3. *The supremacy of God's Kingdom.*—This calls for a more devoted determination to pour into the common life the spirit that is detached from self, family, sectional or party interest and devoted to the Will of God, which is the good of all. If anything stands out clearly to-day, it is that the policy of self-interest has brought and is bringing ruin in its train. We need to visualise more earnestly an industrial society in which the good of all is truly the ruling principle, not so much destroying other motives as bringing them under proper control to this end. We must recognise that while it may not be a sin to possess more material goods than others of our fellows, since this may have come about through no injustice on our part, even through qualities that in themselves are really social, it is a sin to obstruct changes which might, in making the industrial system more just, reduce the sum of our own possessions.

This great transformation for which we look, from conflict to peace, from chaos to order, from morally repugnant to just conditions, may not be wrought by sudden and violent change, but by a gradual process in which the old forms which have

CONCLUSION

served their purpose and seem ready to die will pass into others which are new and living, fit to serve as instruments of the spirit of liberty and brotherhood working towards the goal of a common good. But we may not flatter ourselves that even if the change is gradual it will be smooth and painless. Difficulties and dangers attend its progress; for us who desire to aid that progress there are renunciations to be accepted, sacrifices to be made. Those who would re-make our industrial world to the pattern of the Kingdom of God must endure the sense of loss and face the complex risks that all great changes bring with them; not otherwise will the work be done. The enterprise is serious, calling for high courage and a steady faith—surely the very gift which the followers of Christ should be able to bring to the service of their fellow-men.

Signed : CONSTANCE SMITH (*Chairman*).

CHAS. G. AMMON.

J. D. BIRCHALL.

A. J. CARLYLE.

MAURICE CHILD.

JAMES CUNNISON.

DAVID FYFFE.

MARY STURGE GRETTON.

J. J. MALLON.

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E. ROSSLYN MITCHELL.

MAX MUSPRATT.

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GEORGE PAISH.

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INDUSTRY AND PROPERTY

WILLIAM PIERCY.

L. G. PILKINGTON.

HENRY H. SLESSER.

WILLIAM STRANG.

C. STUART SMITH.

R. H. TAWNEY.

BEN TURNER.

ANGUS WATSON.

W. B. YATES.

WILL REASON (*Hon. Secretary*).

The members of the Commission, who, having co-operated in the preparation of the above Report attach their signatures, do so as individuals and in no way commit the Churches or Societies of which they are members. The acceptance of the Report by a signatory denotes agreement with the general substance of the Report, but not necessarily with every detail.

NOTE.—The Commission during the earlier stages of its work had the advantage of the help of the Rev. R. H. Murray, Litt.D., who, however, desires to dissent from some of the conclusions embodied in the Report.

Note of Dissent.—Having served as Catholic representative on this Commission I am unfortunately unable to sign the report, for the following reasons:—

I. That while appreciating the conciliatory spirit shown as regards concessions of phraseology, I feel that no sufficient distinction has been drawn between the fundamental right of the individual or family to property (which Catholic writers base on human needs), and the right of the State to control the distribution of property, which arises from its duty to correct injustice and its right to levy taxes on the ground of services rendered, and in view of the common good.

CONCLUSION

2. That the stress laid on "equality" is liable to grave misinterpretation incompatible with Catholic principles.

3. That the blame for our present difficulties does not lie wholly with Employers, Proprietors and Industrialists.

4. That some mention should have been made of the dangers arising from extremist and revolutionary propaganda.—(*Signed*)

ADA STREETER.

APPENDIX

APPENDIX

THE POPULATION PROBLEM AS AFFECTING CHRISTIAN SOCIAL ACTIVITIES

NOTE.—*The following is a Report from a sub-committee of the Commission. It was felt that its inclusion would overweight the Report itself and that it would be more valuable as an Appendix for reference.*

It should be clearly understood that questions concerning the morality of methods of birth-control are definitely excluded from its scope.

We are grateful to Dean Inge, Principal Garvie, Mr. J. A. Hobson and Mr. Harold Wright for reading the Report and sending valuable comments. This, of course, implies no responsibility on their part for any of the contents, but they have all expressed general agreement with the main conclusion.

THE modern study of biology, especially in respect of heredity and the principle of "natural selection," has raised serious questions which those who are working for a Christian order of society cannot wholly ignore. To many minds these constitute a challenge both as to the wisdom and as to the practicability of those efforts which are most Christian in spirit, such as the removal of the conditions of overcrowding, insanitation, want and bad nurture in general which now result in the destruction of so many infant lives. However well intentioned, it is said, in the first place, these efforts merely result in the keeping alive of the unfit, so that

INDUSTRY AND PROPERTY

on arriving at mature age they bring into the world more children of the same inferior stock. This prevents any improvement, and as the worst stocks seem in practice to be most prolific, it will in all probability bring about an actual lowering of the standard as regards quality. It is argued that, repugnant as are the bad conditions to that spirit of love which is the essence of Christianity, they do, by eliminating the unfit, tend to raise the standard of health and hardiness among those who survive. This challenges the wisdom. The practicability is impugned on the ground that the removal of these "checks to population" would in themselves lead to such an increase in population as would outrun the existing means of living, and the general raising of the standard of living would both limit the amount available for each family and encourage larger families at the same time. The net result would be to bring us back to the old conditions of penury for the mass of the people.

If this argument should prove to be sound against all criticism we should be hopelessly involved in a vicious circle. Worse still, for those whose hearts and minds must necessarily answer loyally to the revelation of God in Jesus Christ, there would be an insoluble contradiction between what God requires and what He makes possible to us. The life of good-will and service would be spiritually compelling but practically impotent. The evil of the present world order would be not so much in the human conduct which runs counter to the true nature of things as in that nature of things itself.

THE POPULATION PROBLEM

The difficulty might be met by a faith strong enough to go on caring for the little ones in the confidence that where the demands of the spirit conflict with what seem to be truths of science we must have made a mistake about the science. Yet this is hardly satisfactory; however imperfect our grasp of the laws of nature may be, what knowledge we can get must be our guide in carrying out what the spirit demands. We must therefore make an attempt to discover where, if anywhere, the reasoning is wrong and what is the actual truth that was misconceived.

I. THE FACTS

First, do social facts agree with the argument? During the last thirty or forty years a good deal of careful investigation has been carried out, and in the later years it has been possible to formulate some definite conclusions which are germane to the present inquiry.

1. *As regards quality.*—The evidence to be found in such documents as the Report of the Inter-departmental Committee on Physical Deterioration (Cd. 2210, 1904), the Annual Reports of the Chief Medical Officer of the Board of Education and investigations like that of Mr. Arthur Greenwood into the "Health and Physique of School Children" (Ratan Tata Foundation), makes it clear that the height, weight and general physique of boys and girls are at their lowest in those social grades where conditions of poverty are most intense, and that they improve in direct ratio with improvement in these conditions.

INDUSTRY AND PROPERTY

The facts reported by Medical Officers of Health show that the general "expectation of life" varies in similar fashion according to the same conditions, from district to district.

The infant mortality rate also varies directly with these same conditions.

So far, therefore, from finding a healthier and sturdier race in those parts where there is the greatest "elimination of the unfit," we have to accept the fact, however it may be explained, that the reverse is the case. The best physique is found where everything is done by ampler resources and medical science to keep the weaklings alive.

2. *As regards numbers.*—Here again there is no doubt whatever that it is not from the more comfortable and prosperous sections of the nation that the great increase in population comes. There is, in fact, a failure to maintain their numbers without recruiting. On the other hand, it is just where the destructive social forces take their heaviest toll of infant life that there is the greatest increase of survivors, because the birth-rate is relatively higher still. The poor not only increase their own numbers but their abundance makes good a persistent deficit in the upper social strata.¹

¹ "The births in England and Wales in 1911, per 1000 married men under fifty-five years of age, classified according to the occupation of the father, were as follows :

1. Upper and middle class	.	.	.	.	119
2. Intermediate	.	.	.	.	132
3. Skilled workmen	.	.	.	.	153
4. Intermediate	.	.	.	.	158
5. Unskilled workmen	.	.	.	.	213

(*Population*, Harold Wright, p. 154.)

THE POPULATION PROBLEM

Those are the facts from which we have to work to the explanation, without begging the question as to what that explanation may be.

II. THE PROBLEM OF QUALITY

I. "*Fitness*" and *quality*.—One of the first things to be made clear is that there is commonly a confusion as to the use of the term "fit," which does not carry the same implications in biology as in sociology. Among biologists "fitness" stands for any characteristic whatsoever that enables a species to survive in the particular set of conditions into which its members are born. There is no sense of superiority about it, either physically or morally. It may be strength, but it may also be merely inconspicuousness; it may be fineness of perception of the sense organs or a flavour that is disagreeable to possible devourers; it may be highly developed parental care of the young or a fecundity that ensures some survivors in spite of extraordinary losses. Because it is a development that fits the environment, it is clear that the environment itself largely determines the character that fits it.

We see, therefore, that there is nothing in biological science to support the notion that a slum environment which slaughters great numbers of the incoming children must therefore select for survival the best men and women. It only selects those families that are most adapted to survive in slum conditions. If we knew nothing about it from experience, we should certainly surmise that foul atmosphere,

INDUSTRY AND PROPERTY

relative darkness, poor food and insanitary surroundings could not possibly select the finest specimens of beings that responded best to sunshine and fresh air, good feeding and cleanliness. As a matter of fact, experience amply confirms this surmise.

There has probably been another confusion between natural selection and the selection made by human intelligence when breeding plants and animals with the purpose of developing certain characteristics that are desired. This is a selection of quite another kind, and in so far as the environment comes into the question it is not arranged for destruction but for helping the development of the qualities desired. The rejected are destroyed by the same intelligence that has selected the characteristics and by deliberately planned methods. These methods have been applied to human breeding, *e. g.* by the Spartans and some other peoples, but, in the form of direct destruction at least, they can hardly be adopted by civilised nations, and certainly not by Christians. It would mean the selection of certain characteristics in the selectors themselves that are by no means the finest in human nature. Whether means consistent with the best humanity can be found by which those whose undesirable physique is transmissible by heredity are restrained from bringing children into the world is another question. What concerns us here is that indiscriminate slaughter by a bad environment is worse than useless. It does not select in the direction required and it damages the survivors.

2. *Heredity and tradition.*—Mr. A. M. Carr-Saunders, himself a leading eugenicist who has made

THE POPULATION PROBLEM

very thorough research into "the Problem of Population" (1922), points out that while the improvement of the physical characteristics of a race can only be achieved by selection, the thing that matters most is not heredity but "tradition." That is a social heritage and consists of the accumulated knowledge, method, organisation, standards of judgment and appreciation and so forth upon which the achievements of individuals depend. What an individual can become and do is determined chiefly by this tradition itself and the degree in which he is brought into living relation with it. He holds that the superiority of the civilised races consists practically altogether in this developed "tradition," and thinks that many of the tests which seem, for example, to show the individual superiority of the white race over the black are open to grave suspicion through having been made by the white under conditions that weight the balance against the black. In any case it is clear that within the white race vast numbers are brought up in a narrow tradition limited by their conditions, out of all real touch with the knowledge and opportunities which are accessible to others; also that, in order to use this tradition to the full and hand it on to the succeeding generation with the greatest increase, the largest possible number of the community should be given a share in it and trained to develop by its means their own personal powers.

A wise social reform has, therefore, nothing to fear from modern discoveries in biology so far as the quality of men and women is concerned, and it remains true that the Christ spirit that seeks the

INDUSTRY AND PROPERTY

good of each, especially those that need it most, is the best social policy.

III. THE PROBLEM OF NUMBERS

1. *Causes of fertility*.—It has been seen that in fact the great increase in numbers does not come from those families that live in better conditions, but from those in the deepest poverty, in spite of the high death-rate among them. The causes of this need analysis.

(1) *Biological*.—Herbert Spencer¹ and others, basing their conclusions on the general truth that the lower forms of life are the more prolific, thought that among men the development of intellectual and other powers was at the expense of that of reproduction. This view, though it can scarcely be said to have been refuted, is not in favour to-day with biologists and therefore cannot here be pressed. More accurate research is needed before a verdict can be given for either contention. But there is one thing arising from biological principles which can be taken as certain. Where destroying forces are many and largely indiscriminate in their action, as in the conditions of the very poor, the families that are naturally the most prolific will have a better chance of leaving survivors than those that are less so, and this goes some way to explain the high birth-rate of the "slums."

(2) *Sociological*.—It is probable, however, that the chief causes are sociological. Those who live

¹ *Principles of Biology*. See also Geddes and Thomson, *Evolution of Sex*.

THE POPULATION PROBLEM

in the poorest conditions have to deal with an entirely different set of considerations, as regards marriage and childbearing, from those which confront members of other classes. It is not surprising that they are led to a different conclusion.

(a) *Early marriages.*—The young professional or business man is apt to defer marriage from prudential reasons. As a matter of fact, the average age at which he weds has in recent times tended to become later than before. The reasons are that his income will not at first allow him, as a rule, to set up a home of the same kind as that to which he has been accustomed; that it increases with his increasing experience and accumulation; and that it generally goes on increasing despite any lessening of physical strength. The result of this is that the years of probable childbearing on the part of the wife are curtailed. On the other hand, the young labourer in the early twenties gets as high a rate of wage as he is likely to get and has greater strength than he can command in later years. It is not advisable for him to defer marriage; on the contrary, the sooner his children can supplement the family wage the better, and if they are all off his hands by the time increasing age makes it more difficult for him to maintain regular work, he will be fortunate. Prudence and natural inclinations therefore work together.

Even if the size of families were the same in all classes, it is clear that the greater rapidity with which the generations succeed their predecessors among the very poor must result in a much greater increase of population among them, other things

INDUSTRY AND PROPERTY

being equal. The longer period of possible child-bearing on the part of the wife, however, tends to increase the actual number in the family. This intensifies the general result.

(b) *Birth restriction*.—It is unquestionable that much of the infertility of the more comfortable classes is due to deliberate restriction in the number of children and that this practice does not yet prevail among the poorest, to any appreciable extent, though it is known to be spreading among skilled artisans. Whether this restriction is in itself right or wrong, morally, or whether some of the methods employed are consistent and others inconsistent with Christian ethics, is highly important in other respects, but does not fall to be considered in the present connection. We are here concerned with the facts and their explanation. The immediate question is, why do those who have means restrict their numbers to so great an extent, while those who have least seem to make no effort in this direction?

The reasons given in the case of early marriages apply partly here also. To a middle-class family, where the cost of extra children in house-room, education and nurture is so large as to be readily appreciated, such considerations as the maintenance or improvement of their status and the more efficient nurture of a few appeal with striking force, outweighing those that arise on other than economic grounds. But to a very poor family the prospect of any improvement in status or indeed any immediate benefit through restriction is very slight. A larger family does not mean a house with more bedrooms but sleeping more closely together. The

THE POPULATION PROBLEM

greater cost of education will only fall on them in such indirect ways as not to be noticed. Probably the most powerful factor in the case is that they have no status to lose.

Again, the middle-class income is usually sufficiently certain to be calculable, allowing plans to be made with foresight. That of the very poor is not. It appears to be largely a matter of luck; where folk live "from hand to mouth" the calculation as to the number of mouths seems to be somewhat futile.

The force of tradition is even greater. The physiological, economic and other discussions which play so great a part among modern educated people have practically no place in the life of the very poor, who do not act in defiance of the arguments for restriction or in agreement with those against, but simply in ignorance of them. To them it is the natural thing to beget children and to manage as best they can from day to day, whatever the number of the children may prove to be. Whether it be true or false that the power of reproduction is limited by the development of the intellectual and other powers of life, it is certainly true that among the very poor there are few other interests to compete with what has always been acknowledged as one of the fundamental natural instincts. It must also be remembered that their tradition does not include the knowledge, now being so assiduously spread among the educated, of the means of bringing about restriction of birth without denying the sexual instinct, even if they desired to use them.

As with quality, so with numbers, we are led to

INDUSTRY AND PROPERTY

the conclusion that the dangers which are dreaded from changes which the application of Christian principles to the reform of social conditions might bring about are precisely those which are threatened by existing economic and social forces. So far from present-day poverty being a "check" to population it is a stimulant, and so far from being a "selection" of the healthiest and hardiest it favours the multiplication from the least desirable stocks. At the same time it is the inveterate foe of effective nurture, so that it fails on every count.

This seems to be in agreement with the position taken by the best eugenists. Mr. Macdougall, for instance, who argues very strongly for inherited limitations on the possible development of children by nurture, says, "This conclusion is distasteful, for it sets a limit to the power of education. It may seem likely to discourage the enthusiasts of education; but it should not do that. Even though the effects of education are limited by Nature, it is of the highest importance that we make the most and the best of the human material which she supplies" (*National Welfare and National Decay*, p. 70). It has already been said that Mr. Carr-Saunders, while quite as strong on the point that physical characteristics can only be altered by selection, maintains that social "tradition," as it makes for good or bad conditions, is of the greater importance. He also says, "In an oppressed society over-population not infrequently arises; in a selfish and luxurious society there may at times be under-population."

Prima facie, it would seem that all the known

THE POPULATION PROBLEM

factors of restriction of population, as well as some that are still doubtful, work most effectively when men already have some status which they may lose and have a practical possibility of improving it. In that case the wholesale raising of the standard of life for the poor—which is a very different thing from the potential escape of a few from the conditions which must still govern the lot of the many who are left—appears to be the best way of curing over-population. We need, however, in fairness to look a little deeper, lest we should draw too hasty conclusions from an analysis of present conditions only. Population has been at different times and in different countries either stationary, increasing or decreasing. This would seem to show that there are several factors to be taken into account, and also that it is desirable to have a clear conception of what “over-population” really is.

2. *The theory of over-population.*—The views of Malthus have been considerably altered in statement by his successors and are to-day generally related to what economists call the Law of Increasing and Diminishing Returns. In any given industry the position may be such that an increase in the number of available workers will produce not only a total increase in the product but a larger amount per worker. But if conditions remain the same, that twofold increase could not be indefinitely continued. First a point would be reached at which each additional worker might maintain the average product, but no more; then, if numbers still increased, the average amount of product per worker would begin to come down. What is true

of any industry in particular seems in this respect to be applicable to industry as a whole, and, as Mr. Carr-Saunders says, "there will be, taking into account on the one hand the known arts of production, and on the other hand the habits and so on of any people at any one time in any given area, a certain density of population which will be the most desirable from the point of view of return per head of population. There will, in fact, under any circumstances, be an optimum number."

So far there is general agreement. But on the question whether this most desirable number is in truth ordinarily realised there is much divergence of opinion. Mr. Carr-Saunders himself seems to think that not only the conception but the fact must be taken as different from what Malthus believed. "To him the problem was one of the relative increase of population and of food; with us it is one of the density of population and of the productiveness of industry. To Malthus the position was much the same in all ages; in his view population, except under unusual circumstances, had in any country at any given time always increased up to the limit of subsistence and was in process of being checked, chiefly by vice and misery. In the modern view increase in skill has brought to an increasingly dense population a larger income per head." He brings historical evidence to show that this has actually been the case and that where there has been failure to secure the "optimum" one way or the other, undue density of population goes with what he calls "an oppressed society," while under-population is associated with luxurious living.

THE POPULATION PROBLEM

On the other hand, Mr. J. M. Keynes¹ and Mr. Harold Wright² still consider that the problem is centred in the ability to produce or to buy sufficient food, and that the natural tendency of population is always to increase up to the limit of subsistence. This has been cloaked at certain periods by the sudden and great expansion of resources, but unless this expansion is continuous, population must always tend to catch up and bring the density to a greater pitch than the "optimum."

Mr. Carr-Saunders' statement leaves us with no very clear notion of the relation between the forces making for the restriction or expansion of numbers required for the "optimum" and the economic conditions which determine what it should be. On the other hand, it does seem to show that the standard of life which is adopted has a very great effect upon the numbers of any community.

The difficulty in the way of the theory that population must always tend to encroach upon the means of living is that already noted: that in the communities with which we are now concerned poverty is not caused by lack of means to feed our present numbers, but by failure to use their productive powers, so that everyone can exchange the result of his labour for the particular things needed. The world already produces ample food for its population,³ but human arrangements are too faulty

¹ J. M. Keynes, *The Economic Consequences of the Peace*.

² Harold Wright, *Population*.

³ See the Report of the International Institute of Agriculture, Rome, for the year 1923-1924. Countries exporting wheat can send out 570 millions of centals (100 lbs.). The highest estimate

INDUSTRY AND PROPERTY

to get it where it is needed. Much more might be produced and a very much larger population be supported in comfort if we had the social sense to use our existing knowledge and resources to the full. The advance of science, used for social instead of anti-social purposes, holds every promise of increasing those resources. Side by side with this we must put the other fact, that, at any rate in our own community, poverty is not a check but a stimulus to numbers.

No doubt it is sound enough in theory that population will expand unless it is somehow checked, and that if it does expand there must be a corresponding expansion of the means of living. It is not so clear, however, that an expansion of the means of living necessarily lets loose an uncontrollable expansion of population. The historic increase following the Industrial Revolution and the opening up of world resources is not so simple as to be explained by one factor only. This opening up of resources certainly did both allow of and also require for its successful prosecution an increase of population. But the massing of the people in conditions of poverty in large towns was also a potent factor in local and undesirable increase.

We have therefore some known and some unknown factors working in this complex problem. It is possible to over-simplify by taking some and leaving out the others, reaching a conclusion in either direction according to our preoccupation with

of requirements by importing countries is about 430 millions. Better economic adjustment and scientific farming could greatly increase these quantities on both sides.

THE POPULATION PROBLEM

fears or hopes. It does not seem scientifically sound to say that as a result of all the factors we know, there must always be a large part of the population living on the margin of bare existence and that it is only this poverty that keeps numbers down. The greatest hope seems to lie in removing those conditions of poverty and ill-nurture which are certainly stumbling-blocks to well-being in other directions and seem to be so definitely associated with what increase in population is undesirable. When we have done that and when we have used our powers of social organisation to remove the restrictions on our productive powers we shall see what is left of this problem more clearly.

It may be that those are right who believe that the natural working of biological and social causes would relieve us of any necessity for deliberately planned restriction. It may be that the forces which, after all, have been in action all through history would need supplementing. In that case it would be necessary to determine what measures were consonant with Christian ethics; a point which does not seem to come under our present reference. What does emerge with considerable certainty from this discussion is that the supposed checks—voluntary or involuntary, moral or immoral—at work in the existing state of things are producing decrease or increase in the wrong quarters. The social conditions that shock the Christian sense of justice are precisely those that are hindering the desired adjustment of population to resources. We are brought again to the teaching of Jesus, that problems of the means of life only find their effective

INDUSTRY AND PROPERTY

solution when we are chiefly concerned with the quality of life ; when the reign of God on earth, with its interpretation of seeking the good of others as if it were our own, is made our central purpose.

QUESTIONS FOR DISCUSSION

I. CHAPTER I.

1. What, in the teaching of Jesus, is the purpose of Industry? Does it include such matters as beauty and freedom?
2. What social relations are essential to the conception of God's reign on earth?
3. What elements in our present industrial order do you think ought to be conserved, as belonging to God's Will for human life? What are the chief characteristics in it in conflict with this Will?
4. Did Jesus really mean that if men made God's reign their chief concern all their material needs would be met?

2. CHAPTER II.

1. What do you know about the people of your own town or district, with respect to the conditions described in this chapter?
2. What can be said in favour of inequality of incomes? What are the moral objections to present disparities?
3. Why should there be special treatment of (a) women and (b) young people in Industry? In what respect, if any, should Agriculture be distinguished from other Industries?
4. What are the deeper causes of industrial strife? Is there anything in the nature of things that prevents their removal? What spiritual factors need to be brought into play, by all concerned?

QUESTIONS FOR DISCUSSION

3. CHAPTERS III and IV.

1. Are you clear about the differences between Capital, Credit and Currency and their relations to each other? Discuss these.
2. Where does the "reward of savings" come from? What was the principle behind the Church's earlier condemnation of "usury"? What is the justification for "interest" to-day?
3. "There is all the difference in practice between the Government taking over Industries and Banks, and those who have control of Banks undertaking part of the duties and responsibilities of Government." Discuss this.
4. What is the moral test for (a) Competition, and (b) Combination or Co-operation?

4. CHAPTER V.

1. Consider carefully the distinction drawn between the failure of the individual and the failure of the system. What does loyalty to the principles of God's Kingdom require of individual Christians in their activities in conjunction with other citizens?
2. "The division of labour and exchange of goods rest upon the assumption of social co-operation. Where this fails, the system breaks down." How is this related to the problem of unemployment?
3. "Wages are fixed for entire occupations and not from personal considerations." What bearing has this upon the existence of large numbers of the people "below the poverty line"?
4. Are the large incomes really connected causally with the inadequate incomes?

5. CHAPTERS VI and VII.

1. In what respects does consumption, wrongly directed, (a) prove injurious to life itself and (b) restrict the production of the means of life?

QUESTIONS FOR DISCUSSION

2. What means would you suggest for directing consumption into healthier ways ?

3. If the analysis of human motives as given be accepted, which of them could be counted upon for the necessary sustaining power in a more Christian social order ?

4. What practical measures do you think would liberate more fully the motives that at present are unduly repressed or perverted ?

6. CHAPTER VIII.

1. "The idea of private property, whether individual or corporate, implies the existence of law." "The authority of the community is limited by the principles of the moral order of life." In what respects do the present laws rest upon that moral order ? Are any considerable changes required in the law itself ?

2. Does the analysis of the different kinds of property bear out the statement that the distinctions "have not only great practical significance," but "are of high importance as regards the moral questions involved" ? How does the use of money blur these distinctions ?

3. "While personality is centred in individuals it is inseparably associated with the development of social life." How does this bear upon the ownership of property ?

4. What rights seem to you to be justified as regards (a) inheritance and (b) bequest ?

7. CHAPTER IX.

1. Estimate the growth of public recognition of the spiritual principles involved in industry. How far is this public recognition reflected in the action of Trade Unions and Employers' Associations ?

2. What good results have flowed from the development of "collective bargaining" ? Does the organisation (on both sides) give promise of future co-operation instead of conflict ?

3. What are the strong and weak points of the Co-operative

Movement? How can it be helped to make a more effective contribution to a really Christian society?

4. What are the advantages and disadvantages of State action in industry? How can Christians bring into such collective action the spiritual power of the Kingdom of God?

8. CHAPTERS X and XI.

1. "The immeasurable value of the individual personality to God, and therefore to honest men . . . is the real meaning of the conception of human equality, and this is the first and fundamental Christian conception of human life." Do you accept this?

2. What is your conception of "individual freedom"? Why does this require a social organisation? Why does State action so often imperil personal freedom?

3. Discuss the specific recommendations in the light of these principles.

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